

NLWJC - Kagan

DPC - Box 018 - Folder 003

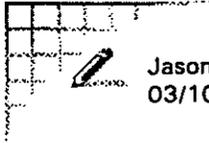
Education - Class Size Initiative [1]

Educ - Ed Flex
and
Educ - class size

Daily Report
March 10, 1999

Education --Ed-Flex and Class Size: The Senate and House continued debate today on ed-flex and class size measures. A time agreement was reached this afternoon between the Senate Republican and Democratic leadership on approximately ten amendments to the ed-flex bill debates today and tomorrow. Votes are scheduled for tomorrow, and final passage is expected by tomorrow night. These include an up-or-down vote on the Murray-Kennedy class size measure and a Jeffords-Lott amendment permitting local school districts to use FY99 class size funding for IDEA. We are releasing a statement from you strongly urging Senators to approve the Murray-Kennedy amendment and reject the Jeffords-Lott amendment which would prompt a veto threat for undermining last fall's bipartisan agreement on class size. We are not taking positions on other Democratic amendments, including a Boxer amendment on after-school programs, a Feinstein/Dorgan amendment on social promotion, a Bingaman amendment on drop-outs, and a Wellstone amendment on accountability in ed-flex. We will strongly oppose other Republican amendments to let local school districts use federal funding authorized under these Democratic amendments for IDEA instead. Republicans may also offer an amendment on discipline and IDEA, which will infuriate the disability community. Meanwhile, the House began floor debate on the ed-flex bill and rejected a Democratic effort to oppose a rule that prohibited amendments on class size. The House is currently debating a Miller-Kildee accountability amendment on ed-flex that drew strong support from a New York Times editorial today. Representatives Clay and Wu plan to offer a slightly modified class size amendment to the bill today that could get an up-or-down vote.

Ednc - EdFlex
and
Ednc - Class size



Jason H. Schechter
03/10/99 06:44:32 PM

Record Type: Record

To: See the distribution list at the bottom of this message

cc:

Subject: Statement by the President: Ed-Flex

THE WHITE HOUSE

Office of the Press Secretary
(Guatemala City, Guatemala)

For Immediate Release

March 10, 1999

STATEMENT OF THE PRESIDENT

I am pleased that the Senate leadership has finally agreed to allow an up-or-down vote on an amendment to hire 100,000 teachers to reduce class size in the early grades. Last year, with bipartisan support, Congress enacted a down payment on this class size initiative, and school districts across the country will soon receive funds to begin hiring teachers. It is now time for Congress to finish the job by making a long-term commitment to class size reduction. I call on every Senator to vote for the Murray-Kennedy amendment to bring every class in the early grades down to a national average of 18.

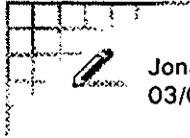
I will vigorously oppose any Republican amendments to undermine the bipartisan agreement we reached last year on class size by diverting those funds to other uses, including special education. While we should increase funding for special education -- as we have done in past years and as my budget recommends continuing to do in the future -- we should not take this money from the recently enacted class size initiative. We should not pit our children against one another or change the rules now on our critical efforts to reduce class size. Smaller classes will help all students do better, and will reduce the need for special education services by helping teachers identify and assist as early as possible children who have learning problems. I call on every member of Congress to reject these efforts to tear down what we accomplished last year, and call on them instead to build on that significant bipartisan achievement.

30-30-30

Ed-Ed Flex
and
Ed-Ed class size

**Statement of President Clinton on Ed-Flex
March 5, 1999**

I strongly support the efforts of Senators Murray and Kennedy to offer a class size amendment to the Ed-Flex bill. We must make a long-term commitment now to hire 100,000 new, well-prepared teachers to reduce class size in the early grades. The Republican Leadership is wrong to try to shut down debate on this bill before a class size amendment can be voted on. I urge them to allow an up-or-down vote on this amendment, and I urge every Senator to vote for it.



Jonathan H. Schnur
03/02/99 09:34:23 PM

Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP

cc:

Subject: VP on class size over next 2 days

As I mentioned, the VP will go to NYC Thursday where he'll call on the Senate to enact the Murray-Kennedy class size measure. Here's our plan for the next couple of days, assuming you're OK with it.

1) Tomorrow, OVP press office will work with the President's press office to advance the story of the VP's visit with state-by-state press releases that will include 7-year estimates of teachers to be hired and \$ spent. I think we can get stories on this around the country in Thursday's newspapers, since no one has yet picked up these #s. It would be great if one of you could put in a word with (the president's) press office about really helping with this. It will take some work faxing press paper out to all of the states.

2) Riley will release the state-by-state NAEP scores Thursday morning. Education's press paper won't make a tight link to the class size initiative because of concern about "overpoliticizing" the NAEP #s, but Riley's office says his remarks will use the NAEP scores to make the argument for the class size initiative.

3) The VP will do the event Thursday where he'll focus on the NY and CT class size #s, and use the NAEP reading scores to underscore the message that we're headed in the right direction, but we need to pick up the pace of progress, and that's why Congress needs to enact the President's class size initiative. The First Lady will mention this in her education events Wednesday and Thursday as well.

4) The VP will not do a conference call Thursday, because the Education Dept argues (convincingly) that by Thursday, reporters will be writing about the state-by-state NAEP scores.

5) Julie Green will continue to pitch the class size story to reporters and editorial writers.

Finally, the VP has a slot for an education event next Wednesday that I am trying to move ahead one day to be sure the event happens before the vote. He would again call for the Senate to enact the Murray-Kennedy amendment, and we could try to get time on his schedule for a conference call that day as well.



Tanya E. Martin
03/04/99 07:53:50 PM

Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP
cc: Laura Emmett/WHO/EOP
Subject: Release of Class Size Local Allocations

Education thinks they will have the local allocations for class size done by tomorrow morning (Friday) . Julie Green is strongly recommending that Sec Riley go ahead and release those at his press conference on Friday. Also, the groups would like to get them on Friday so that they can get them to their local offices. ED wanted to check in with the WH on the release. Are you ok with Education releasing those numbers when they are ready on Friday - or do you want to hold off until Sat's radio address?

In the current radio address draft, we don't specifically reference the release of the local allocation data -- but focus on the guidelines (which will tell communities how much money they will receive and how they can spend it).

STATEMENT BY VICE PRESIDENT GORE
March 8, 1999

Educ - Effort
and
Educ - class size

Before we get started, I wanted to make a brief statement about a debate to take place on the Senate floor later today.

Senators Murray and Kennedy will offer a measure to fully fund our initiative to help communities hire 100,000 well-trained teachers over the next six years. Last year, President Clinton and I called for this initiative to help communities hire 100,000 teachers over seven years to reduce class size in the early grades to a national average of 18. We worked across party lines to enact an important down payment on this initiative -- \$1.2 billion to hire 30,000 teachers this year.

Now, Congress has the opportunity to build on this bipartisan progress. Unfortunately, some in Congress are trying to shut down debate before this measure can even be voted on.

I call on the Senate to allow an up or down vote on the Murray-Kennedy class size amendment, and I urge every senator to vote for it. Let's work together across party lines to make real progress on behalf of educating our nation's children and improving our public schools.

THE WHITE HOUSE

WASHINGTON

Salt Lake City

February 28, 1999

The Honorable Trent Lott
Majority Leader
United States Senate
Washington, D.C. 20510

Dear Mr. Leader:

This year, we have an important opportunity to work together, across party lines, to bring true progress to America's public schools. We should start right now to make the reforms and targeted investments we need to prepare our children for the 21st century.

I welcome the idea of greater flexibility in education for states and school districts, tied to greater accountability for results. For this reason, I urge the Senate to pass an Ed-Flex bill this week that provides both expanded flexibility and strengthened accountability in education.

But we must do more to give our children a world-class education. That is why I strongly support the amendment that Senators Kennedy and Murray will offer this week to build on our bipartisan efforts of last year to reduce class size in the early grades. As you recall, Congress voted across party lines to provide a down payment on my class size reduction initiative in the FY 1999 budget, by appropriating \$1.2 billion to help communities hire about 30,000 teachers. The Kennedy-Murray amendment would finish the job by authorizing \$11.4 billion more over six years to help communities hire 100,000 well-prepared teachers to bring class size in the early grades down to a national average of 18 students.

As parents and teachers across America understand, smaller classes can make a profound difference for our children. Studies show that teachers in smaller classes give more personal attention to students and spend less time on discipline; as a result, students in these classes learn more and get a stronger foundation in the basics. Across the country, students in smaller classes outperform their peers in larger classes. And reduced class size makes the greatest difference for minority and disadvantaged students.

It is important that we act now on a long-term commitment to reduce class size, because communities will soon begin to receive the funds we appropriated last year for this purpose. Communities will not be able to use these funds as effectively as possible unless they have confidence that Congress will provide continued support to reduce class size for years to come. Passage of the Kennedy-Murray amendment will ensure effective local planning as school districts move to put this new initiative into effect.

I am asking you to show continued and long-term support for this effort to reduce class size across the nation. There can be no better way to demonstrate a commitment to work together in this Congress to strengthen the quality of education.

Sincerely,

A handwritten signature in black ink, appearing to read "Bill Clinton". The signature is written in a cursive, flowing style with a prominent initial "B".



Tanya E. Martin
03/02/99 05:32:53 PM

Record Type: Record

To: Elena Kagan/OPD/EOP
cc: Laura Emmett/WHO/EOP
Subject: IDEA/Class Size Meetings

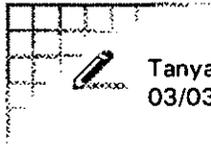
1. Education Meeting on IDEA

Sec Riley will meet with the heads of 5 organizations -- NEA, AFT, the National School Boards, Chief State School Officers and the School Administrators (Superintendents) tomorrow at 5PM at the Department.

The main purpose of the meeting is to explain to them what is going-on with IDEA -- but the Secretary will also talk to them about class size.

2. WH meeting on Class Size

ED continues to push back on the scheduling -- and see Friday meeting with lobbyist as more effective with the groups, than one tomorrow. Susan is going to call you shortly to explain her rationale for Friday. Her main points to me were that (1) ED will talk to the heads of the lead organizations when they meet with Riley tomorrow (2) we shouldn't take the lobbyists off the hill to come meet with on Wed, wait until Fri when they are free; (3) the groups are already working this issue, and we won't lose time by waiting until Friday and will ensure that we have better turnout.



Tanya E. Martin
03/03/99 10:02:17 AM

Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP
cc: Jonathan H. Schnur/OPD/EOP, Laura Emmett/WHO/EOP
Subject: Ed-Flex/Class Size Schedule

I just spoke with Broderick -- he will call in later as a clearer schedule develops. Here's where things stand:

Next four hours will be spent on the motion to proceed (largely Wellstone). The vote should take place around 1:30. Broderick says there is a manager's package, but he isn't sure how complete it is -- and is trying to get more information on the amendments included in the package. Right now, Broderick expects them to spend the day on accountability. He thinks there is a chance that the Senate may get to class size late today, but it will likely come up tomorrow (where they will try and string out discussion over the weekend). It looks like the Senate won't finish Ed-Flex before Wednesday.

calls to groups - ^{Karen} NEA/AFI // ^{Miley} others

Kennedy / Riley only w/ groups

One-pager - Tanya

~~STP~~

Talk to Wyden - By Daschle? When?

News. departure
short?

Specter
Campbell
Chafee
Tefkins

Gortan
Snow
Williams
Santorum
Abraham
DeWine
G. Smith
Warner
Roth

Next Monday - Dept to put
out class size guidance
KILL for now

Title I Report ??
MC to find out.



Jonathan H. Schnur
02/23/99 11:16:09 AM

Record Type: Record

To: Elena Kagan/OPD/EOP, Laura Emmett/WHO/EOP
cc: Tanya E. Martin/OPD/EOP
Subject: revised class size paper

Elena, I incorporated all of your comments, except for two. They are:

- 1) you asked whether the authorization for the legislation is 6 or 7 years. The authorization is for 6 years, because we are now in the 2nd year of the program.
- 2) You asked if we could include seven-year figures for \$ and # of teachers. How important is it to include these? I think we can include these, but there are a few possible reasons not to do this.

First, the VP will be in Washington State Sunday, California Monday, and New York next Thursday, and they would LOVE to be able to release the 7-year state-by-states on one of these trips.

Second, it will take a bit of extra time to get and include the 7-year #s. (We could do it in time for the Riley-Kennedy mtg with groups at 4pm, though we probably couldn't do this in time for a 1pm Brod has on the hill. Brod would prefer to get these in time for his 1pm mtg, but 4pm would be OK with him as well.

Third, I am checking with Barbara Chow to make sure OMB is OK with including 7-year #s. I think we did include seven-year budget figures in the FY2000 budget, but --because of likely changes in state allocations over time -- OMB may be a little skittish about including the # of teachers by state.



CLSZB.222

**A NATIONAL EFFORT TO REDUCE CLASS SIZE:
SMALLER CLASSES WITH WELL-PREPARED TEACHERS**

February 23, 1999

AN OPPORTUNITY FOR BIPARTISAN PROGRESS IN EDUCATION. Last year, President Clinton proposed a historic initiative to reduce class size in the early grades -- when children learn to read and get a solid foundation in the basics -- by hiring 100,000 well-prepared teachers over seven years. Congress enacted a down payment on this request last year with bipartisan support, providing a one-time \$1.2 billion appropriation to help communities hire approximately 30,000 teachers nationwide. This week, Congress has the opportunity to build on its bipartisan efforts to reduce class size and finish the job by passing legislation authorizing this initiative for the next six years.

SUPPORTING EFFECTIVE LOCAL PLANNING. Under the initiative enacted into law last year, school districts will begin to receive funding this July 1 in order to hire teachers to begin reducing class sizes this fall. While last year's one-year appropriation provided an important start on President Clinton's seven-year initiative, Congress has the chance to support effective local planning by giving school districts the confidence they need that funding will be available under this initiative for years to come. Rejecting this legislation this week will send a dangerous message to school districts about the prospects for continued funding just when they are beginning to make decisions about how to implement this new initiative.

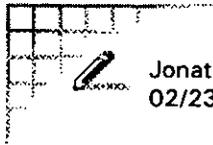
INCREASED FUNDING FOR COMMUNITIES ACROSS THE NATION. In this year's budget, President Clinton and Vice President Gore proposed \$1.4 billion to hire a total 38,000 teachers.

- This initiative would provide [STATE] with [STATE ALLOCATION] to support [NUMBER OF TEACHERS] to reduce class size in early grades across the state.

SMALL CLASSES MAKE A DIFFERENCE. Studies show that smaller classes help teachers provide more personal attention to students and spend less time on discipline; as a result students learn more and get a stronger foundation in the basic skills. According to studies, students from smaller classes in North Carolina, Wisconsin, Indiana, Tennessee, and across the nation outperformed their peers in larger classes. Moreover, research shows that reduced class size makes the greatest difference for minority and disadvantaged students. For example, a national study of 10,000 4th graders and 10,000 8th graders found the greatest impact of smaller classes on inner-city youth.

SUPPORT FROM MAJOR EDUCATION ORGANIZATIONS. Major education organizations have said that the President's class size initiative is the kind of initiative that has the potential to make a real difference in raising the academic achievement of young Americans. These organizations include the American Association of School Administrators (AASA), the American

Federation of Teachers (AFT), the Council of Chief State School Officers (CCSSO), the Council of Great City Schools (CGCS), Federal Advocacy for California Education, the National Association of Elementary School Principals (NAESP), the National Association of State Boards of Education (NASBE), the National Association of State Directors of Special Education, the National Education Association (NEA), the National Parent Teacher Association (PTA), the National School Boards Association (NSBA), NAACP, the National Association of School Psychologists, the International Reading Association (IRA), and the Executive Director of the Council of Scientific Society Presidents.



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CLSXB.22

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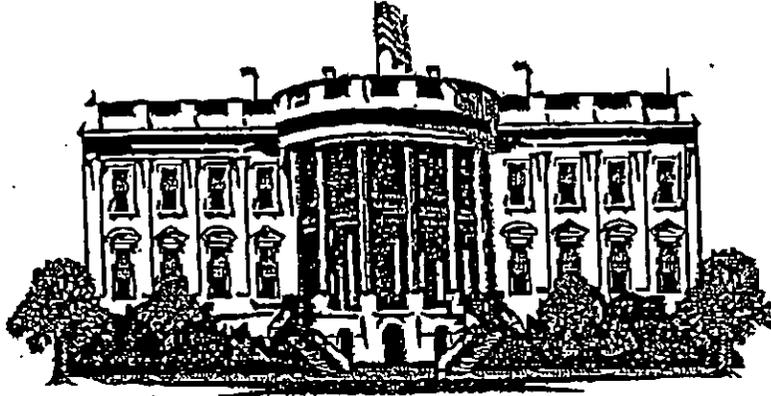
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Educ-class size



THE WHITE HOUSE

Domestic Policy Council

DATE: _____

FACSIMILE FOR: Elena/Bruce

PHONE: () - FAX: () -

FACSIMILE FROM: Tanya

PHONE: () - FAX: () -

NUMBER OF PAGES (INCLUDING COVER): _____

- FOR YOUR REVIEW
- PER MY E-MAIL OR VOICE-MAIL MESSAGE TO YOU
- PER YOUR REQUEST

COMMENTS: Jan is on phone w/ OMB

Brod knows this is coming in 5 mins
and is ok.

(He has state-by-state one year funding papers)

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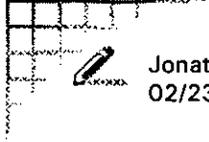
INCREASED FUNDING FOR COMMUNITIES ACROSS THE NATION. In this year's budget, President Clinton and Vice President Gore proposed \$1.4 billion to hire a total of 38,000 teachers. Over seven years, this initiative would provide a total of \$12.6 billion to help communities across the nation support 100,000 well-prepared teachers.

SMALL CLASSES MAKE A DIFFERENCE. Studies show that smaller classes help teachers provide more personal attention to students and spend less time on discipline; as a result students learn more and get a stronger foundation in the basic skills. According to studies, students from smaller classes in North Carolina, Wisconsin, Indiana, Tennessee, and across the nation outperformed their peers in larger classes. Moreover, research shows that reduced class size makes the greatest difference for minority and disadvantaged students. For example, a national study of 10,000 4th graders and 10,000 8th graders found the greatest impact of smaller classes on inner-city youth.

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STATE	Funds in FY2000	Teachers in FY 2000	Funds in FY 2005	Teachers in FY 2005
Alabama	\$21,854,377	589	\$43,489,112	1537
Alaska	\$6,534,749	178	\$13,003,823	462
Arizona	\$21,101,821	582	\$41,991,563	1500
Arkansas	\$13,318,238	361	\$26,502,625	939
California	\$158,143,113	4386	\$314,696,839	11263
Colorado	\$15,319,223	418	\$30,484,483	1083
Connecticut	\$13,099,795	356	\$26,067,934	925
Delaware	\$6,534,749	178	\$13,003,823	462
District of Columbia	\$6,534,749	178	\$13,003,823	462
Florida	\$63,152,556	1749	\$125,670,412	4495
Georgia	\$36,394,618	1007	\$72,423,462	2590
Hawaii	\$6,534,749	178	\$13,003,823	462
Idaho	\$6,534,749	178	\$13,003,823	462
Illinois	\$56,474,810	1522	\$112,382,034	3973
Indiana	\$23,457,187	640	\$46,678,624	1659
Iowa	\$11,236,263	309	\$22,359,600	797
Kansas	\$11,080,958	301	\$22,050,550	783
Kentucky	\$22,065,953	594	\$43,910,138	1552
Louisiana	\$32,906,223	884	\$65,481,729	2312
Maine	\$6,534,749	178	\$13,003,823	462
Maryland	\$20,051,028	544	\$39,900,537	1414
Massachusetts	\$25,725,579	698	\$51,192,610	1815
Michigan	\$56,348,321	1516	\$112,130,327	3961
Minnesota	\$19,131,415	519	\$38,070,555	1350
Mississippi	\$21,473,367	577	\$42,730,921	1509
Missouri	\$23,850,883	649	\$47,462,059	1685
Montana	\$6,534,749	178	\$13,003,823	462
Nebraska	\$6,859,698	188	\$13,650,455	486
Nevada	\$6,534,749	178	\$13,003,823	462
New Hampshire	\$6,534,749	178	\$13,003,823	462
New Jersey	\$31,763,954	865	\$63,208,672	2244
New Mexico	\$11,427,001	314	\$22,739,158	810
New York	\$126,554,120	3497	\$251,836,335	8999
North Carolina	\$28,921,962	790	\$57,553,252	2047
North Dakota	\$6,534,749	178	\$13,003,823	462
Ohio	\$51,976,141	1401	\$103,429,908	3657
Oklahoma	\$15,796,621	431	\$31,434,483	1117
Oregon	\$13,347,475	363	\$26,560,804	943
Pennsylvania	\$57,362,278	1545	\$114,148,050	4035
Puerto Rico	\$45,154,256	1161	\$89,854,700	3172
Rhode Island	\$6,534,749	178	\$13,003,823	462
South Carolina	\$17,092,223	468	\$34,012,665	1211
South Dakota	\$6,534,749	178	\$13,003,823	462
Tennessee	\$23,107,122	628	\$45,982,011	1631
Texas	\$113,870,210	3112	\$226,595,996	8059
Utah	\$8,979,915	245	\$17,869,580	635
Vermont	\$6,534,749	178	\$13,003,823	462
Virginia	\$24,367,233	663	\$48,489,569	1722

STATE	Funds In Teachers in FY FY2000	2000	Funds in FY Teachers 2005 in FY 2005	
Washington	\$22,677,526	617	\$45,127,138	1602
West Virginia	\$12,635,938	340	\$25,144,883	888
Wisconsin	\$23,434,113	639	\$46,632,707	1657
Wyoming	\$6,534,749	178	\$13,003,823	462



Jonathan H. Schnur
02/23/99 06:54:12 PM

Record Type: Record

To: Elena Kagan/OPD/EOP

cc:

Subject: 7-year estimates

Elena --

A few things on the seven-year estimates:

- 1) The class amendment will be offered by Parry Murray,
- 2) The language for the amendment *will* definitely be taken from S.7 that she and other Senators introduced earlier in the year. This includes year-by-year authorization levels and, absent a very strong and quick request from us, they are not planning to modify that language.
- 3) We did fax one copy of the 1-pager to the hill, but it wasn't distributed, and we had the only copy there torn up.
- 4) Once we get clearance from OMB, we can send the seven year estimates out to members and the groups. Kennedy's staff will send a packet to members including the documents we already gave them and will add or substitute anything else we send them in the morning. They also are happy to fax out any new materials to all of the groups tomorrow, though there were apparently a few concerns raised at the mtg about using the seven-year figures.

I have to leave for the evening shortly, but feel free to page me through signal on my skypager.

Class Size Reduction State Allocation Estimates

<u>State</u>	<u>FY 1999</u>	<u>FY 2000</u>
Alabama	\$19,413,279	\$21,854,377
Alaska	5,623,097	6,534,749
Arizona	17,508,087	21,101,821
Arkansas	11,623,964	13,318,238
California	129,177,936	158,143,113
Colorado	13,164,489	15,319,223
Connecticut	11,353,179	13,099,795
Delaware	5,623,097	6,534,749
Florida	51,848,131	63,152,556
Georgia	29,909,345	36,394,618
Hawaii	5,623,097	6,534,749
Idaho	5,623,097	6,534,749
Illinois	50,137,659	56,474,810
Indiana	20,096,000	23,457,187
Iowa	9,449,330	11,236,263
Kansas	9,582,885	11,080,958
Kentucky	19,641,601	22,065,953
Louisiana	29,471,026	32,906,223
Maine	5,623,097	6,534,749
Maryland	17,485,082	20,051,028
Massachusetts	22,447,648	25,725,579
Michigan	50,275,610	56,348,321
Minnesota	16,662,118	19,131,415
Mississippi	19,208,820	21,473,367
Missouri	20,568,788	23,850,883
Montana	5,623,097	6,534,749
Nebraska	5,827,594	6,859,698
Nevada	5,623,097	6,534,749
New Hampshire	5,623,097	6,534,749
New Jersey	27,414,745	31,763,954
New Mexico	9,619,782	11,427,001
New York	104,517,491	126,554,120
North Carolina	24,678,787	28,921,962
North Dakota	5,623,097	6,534,749
Ohio	46,139,496	51,976,141
Oklahoma	13,529,819	15,796,621
Oregon	11,564,476	13,347,475
Pennsylvania	50,982,529	57,362,278
Rhode Island	5,623,097	6,534,749
South Carolina	14,495,110	17,092,223
South Dakota	5,623,097	6,534,749
Tennessee	20,066,133	23,107,122
Texas	97,206,460	113,870,210
Utah	7,691,587	8,979,915
Vermont	5,623,097	6,534,749
Virginia	21,038,247	24,367,233

Washington	19,619,284	22,677,526
West Virginia	11,301,032	12,635,938
Wisconsin	20,118,645	23,434,113
Wyoming	5,623,097	6,534,749
District of Columbia	5,623,097	6,534,749
Puerto Rico	40,440,447	45,154,256
American Samoa	434,896	507,378
Northern Marianas	247,810	289,112
Guam	1,014,631	1183735
Virgin Islands	835,936	975259
BIA	3,466,728	4044516
Total	1,200,000,000	1,400,000,000

Educ - Ed Flex
and
Educ - class size



Kate P. Donovan
02/24/99 03:24:29 PM

Record Type: Record

To: See the distribution list at the bottom of this message

cc:

Subject: Draft SAP on S.280 - Ed Flex bill

The draft SAP for S. 280, the Education Flexibility Partnership Act of 1999, is influx right now. The version below has two options. In general, option 1 is more vague and is recommended to be included if we don't find out any details about the possible manager's substitute amendment & the bill hits the floor. Caroline/Broderick-can you keep us posted on whether a manager's substitute amendment is going to be offered and whether we support. The Dept. of Education prefers Option 2.

The timing of the bill is also questionable, but the Senate Democratic cloakroom expects S.280 to come up next week on Monday or Tuesday (the Senate should stay w/ S.4 today & tomorrow along with a human rights resolution with only morning business on Friday). We should have time to work on this SAP; however, in the event that the bill pops sooner on the Senate floor, I need to have your comments for a quick turnaround. This SAP will also need to be cleared with all of the relevant principals.

Please note, there is also an issue on the "sunset" issue that is noted in the 1st paragraph (in bold) below the stars. I will need closure on that as well. I look forward to your guidance on how to proceed. Thank you.

S. 280 - Education Flexibility Partnership Act of 1999
(Sen. Frist (R) TN and 35 others)

The Administration has long supported the concept of expanding ed-flex demonstration authority to permit all States to waive certain statutory and regulatory requirements of Federal education programs in a manner that will promote high standards and accountability for results, coupled with increased flexibility for States and local school districts to achieve those results.

[**OPTION #1** The Administration will support S. 280 as long as the bill's accountability provisions are strengthened to ensure that State waivers of Federal requirements enhance children's educational achievement.]

[**OPTION #2** The Administration supports Senate passage of S. 280 only if the Senate adopts the pending manager's substitute that would strengthen the accountability provisions of the bill, to ensure that children's educational achievement is enhanced by State waivers of Federal requirements.]

The Administration also urges adoption of an amendment that would terminate a State's

authority to grant waivers on the effective date of the reauthorized Elementary and Secondary Education Act of 1965 (ESEA), so that the Congress can ensure consistency, during its upcoming consideration of the ESEA, between ed-flex authority and the accountability provisions of the ESEA.

The Administration strongly supports an amendment that is expected to be offered to S. 280 that would implement the President's proposal for a long-term extension of the one-year authority to help school districts reduce class size in the early grades, which the Congress approved last year on a bipartisan basis. In order to hire qualified teachers, arrange for additional classrooms, and take other steps that are necessary to reduce class size, school districts need to know, as soon as possible, that the Congress intends to support this initiative for more than one year.

* * * * *

(Do Not Distribute Outside Executive Office of the President)

This draft Statement of Administration Policy was developed by LRD (Connie Bowers) in consultation with the Department of Education (Riddle), EIML (Chow/White/Mustain), and DPC (Schnur). **The second paragraph ("The Administration also urges adoption . . .") was drafted by ED staff at the request of OMB/EIML (Barbara Chow), but ED (Michael Cohen) has not agreed to its inclusion and may be discussing it with Bruce Reed.**

OMB/LA Clearance:

BACKGROUND

The Education Flexibility Partnership Demonstration ("Ed-Flex") Act was enacted in 1994 as part of the Goals 2000 legislation in order to test the idea of giving States authority to waive Federal statutory and regulatory requirements that impede the development and implementation of education reforms in the State. Originally limited to six States, this demonstration authority was extended to 12 States by the Omnibus Budget Reconciliation Act of 1996.

During the 105th Congress, a similar bill (S. 2213) was considered, but never voted on, by the Senate. S. 2213 differed from S. 280 in that it would have amended the Goals 2000 Act to expand its education flexibility programs. S. 280 is a freestanding bill that authorizes a new Ed-Flex program. The Administration did not issue a SAP on 2213 because ED opined that most Democrats were not supportive of the legislation.

SUMMARY OF S. 280

S. 280 would authorize the Secretary of Education to carry out an education flexibility program. Under the program, all States (as opposed to the 12 allowed in the current demonstration authority) could apply to waive for at least five years Federal statutory or regulatory requirements applicable to specified education improvement programs, if they

demonstrate those requirements could hamper efforts to improve student achievement. To provide accountability, the bill would require States to adopt academic standards and provisions for holding schools accountable for student achievement. The bill would also require that States have authority to waive their own comparable requirements as well.

OTHER CONSIDERATIONS

Congress is scheduled to work this year on the Elementary and Secondary Education Act (ESEA) reauthorization. The Administration is developing an ESEA reauthorization proposal that will contain accountability provisions to strengthen the ESEA and student achievement. By authorizing every State to waive rules, S. 280 as drafted could undermine an ESEA proposal that stresses accountability.

PAY-AS-YOU-GO SCORING

According to EIML (Mustain), S. 280 would not affect direct spending or receipts; therefore, it is not subject to the PAYGO provisions of the Omnibus Budget Reconciliation Act.

LEGISLATIVE REFERENCE DIVISION DRAFT

February 24, 1999 - 2:15 p.m.

Message Sent To:

Barbara Chow/OMB/EOP
Sandra Yamin/OMB/EOP
Elizabeth Gore/OMB/EOP
Charles Konigsberg/OMB/EOP
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Laura Emmett/WHO/EOP
Broderick Johnson/WHO/EOP
Caroline R. Fredrickson/WHO/EOP
Tracey E. Thornton/WHO/EOP
Janelle E. Erickson/WHO/EOP

This year, we have an important opportunity to work together, across party lines, to bring true progress to America's public schools. We should start right now to make the reforms and targeted investments we need to prepare our children for the 21st century.

I welcome the idea of greater flexibility in education for states and school districts, tied to greater accountability for results. For this reason, I urge the Senate to pass an Ed-Flex bill this week that provides both expanded flexibility and strengthened accountability in education.

But we must do more to give our children a world-class education. That is why I strongly support the amendment that Senators Kennedy and Murray will offer this week to build on our bipartisan efforts of last year to reduce class size in the early grades. As you recall, Congress voted across party lines to provide a down payment on my class size reduction initiative in the FY 1999 budget, by appropriating \$1.2 billion to help communities hire about 30,000 teachers. The Kennedy-Murray amendment would finish the job by authorizing \$1.4 billion more over six years to help communities hire 100,000 well-prepared teachers to bring class size in the early grades down to a national average of 18 students.

As parents and teachers across America understand, smaller classes can make a profound difference for our children. Studies show that teachers in smaller classes give more personal attention to students and spend less time on discipline; as a result, students in these classes learn more and get a stronger foundation in the basics. Across the country, students in smaller classes outperform their peers in larger classes. And reduced class size makes the greatest difference for minority and disadvantaged students.

It is important that we act now on a long-term commitment to reduce class size, because communities will soon begin to receive the funds we appropriated last year for this purpose. Communities will not be able to use these funds as effectively as possible unless they have confidence that Congress will provide continued support to reduce class size for years to come. Passage of the Kennedy-Murray amendment will ensure effective local planning as school districts move to put this new initiative into effect.

I am asking you to show continued and long-term support for this effort to reduce class size across the nation. There can be no better way to demonstrate a commitment to work together in this Congress to strengthen the quality of education.

Education Week

October 28, 1998 *Critics Doubt Teacher Plan's Effectiveness*

By Joetta L. Sack

Washington

On paper, it looks to most people like a good plan: \$1.2 billion going straight to needy school districts to hire thousands of new teachers and reduce class sizes in the crucial early grades.

Before political leaders here finish patting each others' backs, though, some districts are questioning how —and whether —they will be able to use the new funding authorized in fiscal 1999's just-finished federal budget. Many have already scrambled this year to find qualified teachers —and to build the classrooms to house them. Add to that the realization that there's no guarantee Congress will renew the program's funding in next year's budget.

Despite all the publicity and praise, President Clinton's plan likely won't mean a big influx of new teachers in most districts next year. The Department of Education estimates that 30,000 new teachers could be hired nationally beginning in the 1999-2000 academic year, a "down payment" on a proposed \$12 billion, seven-year plan to hire 100,000 new teachers, acting Deputy Secretary of Education Marshall S. Smith said.

"This is the beginning; this is not a one-year proposal in our minds at all," Mr. Smith said at an Oct. 16 news conference. School leaders "can be well assured that this administration will fight very, very hard for it."

It may indeed be a hard fight.

"On the whole, House Republicans support it as long as they see the money going to local school districts," said Jay Diskey, the spokesman for the GOP members of the House Education and the Workforce Committee. But, he warned, "it will be a battle for the administration next year to stake out another \$1 billion. They're going to have to prove that this money made a difference."

On Sept. 18, only a month before the omnibus budget package passed, the House rejected, 215-190, an amendment by Rep. Matthew G. Martinez, D-Calif., to substitute a \$7.34 billion, five-year authorization of the program for a GOP-backed education block-grants bill. The plan to hire 100,000 teachers did not win a single vote from the Republicans on the Education and the Workforce Committee. The Senate also rejected a similar amendment earlier this year.

The original formula had too many strings attached through Title I, the massive K-12 program that targets schools in low-income areas, Mr. Diskey said.

Now, more Republicans are supportive of the deal they cut with President Clinton in

recent weeks because it guarantees that all of the funding will go to districts. The states will channel the money to local districts under a formula based 80 percent on child poverty and 20 percent on enrollment. Still, some conservative Republicans were grumbling over the creation of a new federal program.

Up to 15 percent of the aid may be used for teacher professional development and up to 3 percent may go to local administration costs, but the remainder must be used for hiring. The money is scheduled to be distributed to districts starting July 1, 1999.

Mr. Diskey said that next year some members may fight to give districts more flexibility, even allowing them to use the entire amount for teacher training.

"That defeats the purpose of the legislation," Bob Chase, the president of the 2.4 million-member National Education Association, argued in an interview. "The legislation is to reduce class size."

The NEA and the 980,000-member American Federation of Teachers were strong supporters of the teacher-hiring plan, but Mr. Chase denied claims by Republicans that the unions were the main force behind the Clinton initiative.

Small Districts Doubtful

Meanwhile, even the Education Department is being cautious in promoting the program. Many smaller districts will be able to hire only one or two teachers with this year's funds, Mr. Smith said. Some may not even see any money at all.

Small, rural districts—which represent about a third of the nation's approximately 15,000 school districts—will not be able to secure enough funding to hire even one teacher, predicted Bruce Hunter, a senior associate executive director of the American Association of School Administrators in Arlington, Va.

"As a one-year authorization, it is poor education policy," he said.

Lloyd W. Snow, the superintendent of 1,500-student Sulphur, Okla., school system, said he would like to be able to hire another elementary school teacher, given that his district is adopting new strategies to focus on early-childhood development.

"The more resources we have, the more people we can put in front of those kiddos at an early age, and the better we can do," he said. But a new teacher, he estimated, would cost about \$30,000—the going rate for new graduates is \$24,000, plus benefits—and Mr. Snow doubts that he'll see that much money from the program in the next year.

Even if a district receives the federal aid, finding qualified teachers to hire could be another obstacle. While many well-heeled suburban districts have an abundance of strong applicants, urban and rural districts often scramble to fill their job openings.

"We have no teacher shortages—what we have is a distribution problem," argued Michael J. Petrilli, the program director for the Thomas B. Fordham Foundation, a Washington-based research organization headed by former Assistant Secretary of Education Chester E. Finn Jr.

That's little consolation, however, to Jerry Roy, the superintendent of the Goose Creek Consolidated Independent School District near Houston. The 18,000-student district still has vacancies for 10 to 12 bilingual education teachers this year, and Mr. Roy has already hired several teachers from Mexico as long-term substitutes. ▼

"The fact that there's more money doesn't mean there are teachers," he said. "These shortages are real —and I believe we're just beginning to see the impact."

But the 210,000-student Houston Independent School District would be grateful for its portion of the \$97 million the Education Department estimates Texas will receive to hire 2,500 teachers. "Any plan that would assist us in attracting and retaining teachers would be of great benefit," said spokesman Ronnie Veselka.

Suburban Shift?

Nearly every district, regardless of location, has a difficult time finding special education teachers, according to Recruiting New Teachers Inc. Other hard-to-fill jobs in many regions include specialties such as bilingual education, mathematics, and science teaching, according to the research group in Belmont, Mass. The organization also promotes recruitment of high-quality teachers.

Mr. Roy believes he can still hire several general elementary school teachers if he gets federal funding. If the federal dollars evaporate after a year, he said the Goose Creek district is large enough that he could probably make reassignments to avoid layoffs.

But if sought-after jobs open up for teachers in suburban areas, Mr. Petrilli warned, the plan could actually further deplete the supply of experienced teachers in rural and inner-city areas.

Officials in Clark County, Nev., are already worried about that. The 203,000-student district —one of the fastest-growing in the nation —recruits from 44 states, but mainly Pennsylvania, where there is a large supply of recent graduates, said George Ann Rice, the assistant superintendent for human resources. This year alone, 1,700 new hires joined the 12,000-teacher force in the county, which includes Las Vegas.

But if new jobs open up in Pennsylvania and other areas, Clark County may lose out. "With the competition up, it will make it very hard for us, even though we're grateful to have the extra funding," Ms. Rice said. ■

105TH CONGRESS
2D SESSION

S. 2209

To reduce class size in the early grades and to provide for teacher quality improvement.

IN THE SENATE OF THE UNITED STATES

JUNE 24, 1998

Mrs. MURRAY (for herself, Mr. KENNEDY, Mr. DODD, Mr. DASCHLE, Ms. MOSELEY-BRAUN, Mrs. BOXER, Mr. LEVIN, Mr. ROBB, Mr. LIEBERMAN, Mr. REED, Mr. LAUTENBERG, Ms. LANDRIEU, Mr. TORRICELLI, Mr. BRYAN, Mr. KERRY, Mr. AKAKA, Mr. GLENN, Mr. BINGAMAN, and Ms. MIKULSKI, introduced the following bill; which was read twice and referred to the Committee on Labor and Human Resources

A BILL

To reduce class size in the early grades and to provide for teacher quality improvement.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the "Class-Size Reduction
5 and Teacher Quality Act of 1998".

6 **SEC. 2. FINDINGS.**

7 Congress finds as follows:

1-
2

2

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

6 (2) The benefits of smaller classes are greatest
7 for lower achieving, minority, poor, and inner-city
8 children. One study found that urban fourth-graders
9 in smaller-than-average classes were $\frac{3}{4}$ of a school
10 year ahead of their counterparts in larger-than-aver-
11 age classes.

12 (3) Teachers in small classes can provide stu-
13 dents with more individualized attention, spend more
14 time on instruction and less on other tasks, cover
15 more material effectively, and are better able to
16 work with parents to further their children's edu-
17 cation.

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

23 (5) Students in smaller classes are able to be-
24 come more actively engaged in learning than their
25 peers in large classes.

1 (6) Efforts to improve educational achievement
 2 by reducing class sizes in the early grades are likely
 3 to be more successful if—

4 (A) well-prepared teachers are hired and
 5 appropriately assigned to fill additional class-
 6 room positions; and

7 (B) teachers receive intensive, continuing
 8 training in working effectively in smaller class-
 9 room settings.

10 (7) Several States have begun a serious effort
 11 to reduce class sizes in the early elementary grades,
 12 but these actions may be impeded by financial limi-
 13 tations or difficulties in hiring well-prepared teach-
 14 ers.

15 (8) The Federal Government can assist in this
 16 effort by providing funding for class-size reductions
 17 in grades 1 through 3, and by helping to ensure that
 18 the new teachers brought into the classroom are well
 19 prepared.

20 **SEC. 3. PURPOSE.**

21 The purpose of this Act is to help States and local
 22 educational agencies recruit, train, and hire 100,000 addi-
 23 tional teachers over a 7-year period in order to—

2(6)-
3

1 (1) reduce class sizes nationally, in grades 1
2 through 3, to an average of 18 students per class-
3 room; and

4 (2) improve teaching in the early grades so that
5 all students can learn to read independently and well
6 by the end of the third grade.

7 **SEC. 4. PROGRAM FUNDING.**

8 For the purpose of carrying out this Act, there are
9 authorized to be appropriated, ~~and are appropriated out~~
10 ~~of any funds in the Treasury not otherwise appropriated,~~
11 \$1,100,000,000 for fiscal year 1999, \$1,300,000,000 for
12 fiscal year 2000, \$1,500,000,000 for fiscal year 2001,
13 \$1,700,000,000 for fiscal year 2002, \$1,735,000,000 for
14 fiscal year 2003, \$2,300,000,000 for fiscal year 2004, and
15 \$2,800,000,000 for each of the fiscal years 2005 through
16 2008.

17 **SEC. 5. ALLOTMENT TO STATES.**

18 (a) **RESERVATION FOR EVALUATION.**—From the
19 amount appropriated by section 4 for each fiscal year, the
20 Secretary may reserve not more than \$2,000,000 to carry
21 out the evaluation described in section 14.

22 (b) **RESERVATION FOR THE OUTLYING AREAS AND**
23 **THE BUREAU OF INDIAN AFFAIRS.**—From the amount
24 appropriated by section 4 and remaining after reserving
25 funds under subsection (a) for each fiscal year, the Sec-

1 retary shall reserve a total of not more than 1 percent
2 to make payments, on the basis of their respective needs
3 for assistance under this Act, to—

4 (1) American Samoa, Guam, the United States
5 Virgin Islands, and the Commonwealth of the North-
6 ern Mariana Islands for activities that are approved
7 by the Secretary and consistent with the purposes of
8 this Act; and

9 (2) the Secretary of the Interior for activities
10 that are approved by the Secretary and consistent
11 with the purposes of this Act, in schools operated or
12 supported by the Bureau of Indian Affairs.

13 (c) ALLOTMENT TO STATES.—

14 (1) IN GENERAL.—From the amount appro-
15 priated by section 4 and remaining after reserving
16 funds under subsections (a) and (b) for each fiscal
17 year, the Secretary shall allot to each State an
18 amount that bears the same relationship to the re-
19 maining amount as the amount of funding the State
20 received under section 1122 of the Elementary and
21 Secondary Education Act of 1965 for the previous
22 fiscal year bears to the total amount available for al-
23 location under that section for the previous fiscal
24 year.

6

1 (2) REALLOTMENT.—If any State chooses not
2 to participate in the program under this Act, or fails
3 to submit an approvable application, the Secretary
4 shall reallocate the State's allotment to the remaining
5 States, in accordance with paragraph (1).

6 SEC. 6. APPLICATIONS.

7 (a) APPLICATION REQUIRED.—The State educational
8 agency of each State desiring to receive an allotment
9 under this Act shall submit an application to the Secretary
10 at such time, in such form, and containing such informa-
11 tion as the Secretary may require.

12 (b) CONTENTS.—Each application shall include—

13 (1) the State's goals for using funds under this
14 Act to reduce average class sizes in regular class-
15 rooms in grades 1 through 3, including—

16 (A) a description of current class sizes in
17 regular classrooms in the local educational
18 agencies of the State;

19 (B) a description of the State's plan for
20 using funds under this Act to reduce the aver-
21 age class size in regular classrooms in those
22 grades; and

23 (C) the class-size goals in regular class-
24 rooms the State intends to reach and a jus-
25 tification for those goals;

1 (2) a description of the State educational agen-
 2 cy's plan for allocating program funds within the
 3 State, including—

4 (A) an estimate of the impact of those allo-
 5 cations on class sizes in the individual local
 6 educational agencies of the State;

7 (B) an assurance that the State edu-
 8 cational agency will make the plan public within
 9 the State; and

10 (C) a description of the current and pro-
 11 jected capacity of the State's school facilities to
 12 accommodate reduced class sizes;

13 (3) a description of the State educational agen-
 14 cy's strategy for improving teacher quality in grades
 15 1 through 3 within the State (which may be part of
 16 a broader strategy to improve teacher quality gen-
 17 erally), including—

18 (A) the actions the State educational agen-
 19 cy will take to ensure the availability, within the
 20 State, of a pool of well-prepared teachers to fill
 21 the positions created with funds under this Act;
 22 and

23 (B) a description of how the State edu-
 24 cational agency and the local educational agen-
 25 cies in the State will ensure that—

6 (6X2)
(3Y)

1 (i) individuals hired for positions cre-
2 ated with funds provided under this Act
3 (which may include individuals who have
4 pursued alternative routes to certification
5 or licensure) will meet all of the State's re-
6 quirements for full certification or licen-
7 sure, or will be making satisfactory
8 progress toward achieving full certification
9 or licensure within 3 years of such hiring;

10 (ii) teachers in first through third
11 grade will be prepared to teach reading ef-
12 fectively to all children, including those
13 with special needs, and will take part in
14 continuing professional development in ef-
15 fective reading instruction and in teaching
16 effectively in small classes; and

17 (iii) individuals hired as beginning
18 teachers in first through third grade will
19 be required to pass a teacher competency
20 test selected by the State;

21 (4) a description of how the State will use other
22 funds, including other Federal funds, to improve
23 teacher quality and reading achievement within the
24 State;

1 (5) a description of how the State will hold local
2 educational agencies that use a significant portion of
3 the grant funds made available under section
4 9(a)(2)(B) accountable for that use of funds;

5 (6) an assurance that the local educational
6 agency and the schools served by the local edu-
7 cational agency will comply with the requirements of
8 subsections (a) and (b) of section 12; and

9 (7) an assurance that the State educational
10 agency will submit such reports and information as
11 the Secretary may reasonably require.

12 (c) APPROVAL OF APPLICATIONS.—The Secretary
13 shall approve a State educational agency's application if
14 the application meets the requirements of this section and
15 holds reasonable promise of achieving the purposes of this
16 Act.

17 **SEC. 7. WITHIN-STATE ALLOCATIONS.**

18 (a) STATE-LEVEL EXPENSES.—Each State may use
19 not more than a total of $\frac{1}{2}$ of 1 percent of the amount
20 the State receives under this Act, or \$50,000, whichever
21 is greater, for a fiscal year, for the administrative costs
22 of the State educational agency and for State-level activi-
23 ties described in section 8.

24 (b) GRANTS TO LOCAL EDUCATIONAL AGENCIES.—

1 (1) ALLOCATION.—Each State educational
 2 agency shall use the amount allotted to the State
 3 and not reserved under subsection (a) for a fiscal
 4 year to make grants to local educational agencies,
 5 for the purpose of reducing class size and improving
 6 instruction in grades 1 through 3, on the basis of—

7 (A) current or projected class sizes in reg-
 8 ular classrooms in grades 1 through 3 in the
 9 local educational agencies; and

10 (B) the relative ability and effort of the
 11 local educational agencies to finance class-size
 12 reductions with funds provided by the local edu-
 13 cational agencies.

14 (2) MANNER.—Each State shall award the
 15 grants described in paragraph (1) in such a manner
 16 as to enable local educational agencies to reduce
 17 their average class sizes in regular classrooms, in
 18 grades 1 through 3, to the average class size pro-
 19 posed in the State application.

20 (3) SPECIAL RULE.—Notwithstanding para-
 21 graph (1), each State shall ensure, in awarding
 22 grant funds under this subsection for a fiscal year,
 23 that each local educational agency in the State, in
 24 which at least 30 percent of the children served by
 25 the agency are from low-income families, or in which

7(5)(1)-
(3)

1 there are at least 10,000 children from such fami-
2 lies, receives not less than the amount that bears the
3 same relation to the grant funds as the amount the
4 local educational agency received of the State's allo-
5 cation under section 1122 of the Elementary and
6 Secondary Education Act of 1965 for the preceding
7 fiscal year bears to the amount all local educational
8 agencies in the State received under such section for
9 such preceding year.

10 (c) MAINTENANCE OF EFFORT.—

11 (1) IN GENERAL.— A local educational agency
12 may receive grant funds under this section for any
13 fiscal year only if the local educational agency sub-
14 mits to, or has on file with, the State educational
15 agency an assurance that the local educational agen-
16 cy will spend at least as much funding from non-
17 Federal sources as the local educational agency
18 spent in the previous year for the combination of—

19 (A) teachers in regular classrooms in
20 grades 1 through 3 in schools receiving assist-
21 ance under this Act; and

22 (B) the quality-improvement activities de-
23 scribed in section 9(b).

24 (2) WAIVER OR MODIFICATION.—The Secretary
25 may waive or modify the requirement of paragraph

1 (1) for a local educational agency if the Secretary
2 determines that doing so would be equitable due to
3 exceptional or uncontrollable circumstances affecting
4 that agency.

5 **SEC. 8. STATE-LEVEL ACTIVITIES.**

6 Each State educational agency may use the funds the
7 State educational agency reserves for State-level activities
8 under section 7(a) to carry out activities described in the
9 agency's application, which may include activities such
10 as—

11 (1) strengthening State teacher certification or
12 licensure standards;

13 (2) developing or strengthening, and admin-
14 istering, teacher competency tests for beginning
15 teachers; and

16 (3) program monitoring and other administra-
17 tive costs associated with operating the program
18 under this Act.

19 **SEC. 9. LOCAL USES OF FUNDS.**

20 (a) IN GENERAL.—

21 (1) CLASS SIZE REDUCTIONS.—Except as pro-
22 vided in paragraph (2), each local educational agen-
23 cy shall use all the grant funds the agency receives
24 from the State under this Act that are not reserved
25 under subsection (b), to pay the Federal share of the

1 costs for the salaries of, and benefits for, the addi-
2 tional teachers needed to reduce class sizes in grades
3 1 through 3 to the level set by the State as the
4 State's goal in the State application.

5 (2) ADDITIONAL TEACHER LEVEL ACHIEVED.—

6 A local educational agency that has reached the level
7 described in paragraph (1) may use the grant funds
8 received from the State under this Act and not re-
9 served under subsection (b) to pay the Federal share
10 of the costs of—

11 (A) making further class-size reductions in
12 grades 1 through 3;

13 (B) reducing class sizes in kindergarten or
14 other grades; or

15 (C) undertaking quality-improvement ac-
16 tivities under subsection (b).

17 (b) QUALITY IMPROVEMENT RESERVATION.—

18 (1) IN GENERAL.—Each local educational agen-
19 cy shall reserve not less than 10 percent of the grant
20 funds the agency receives under this Act for each of
21 the fiscal years 1999 through 2003 to pay the Fed-
22 eral share of the costs of carrying out activities to
23 ensure teachers who will teach smaller classes are
24 prepared to teach reading and other subjects effec-
25 tively in a smaller class setting.

14

1 (2) ACTIVITIES.—The activities described in
2 paragraph (1) may include—

3 (A) training teachers in effective reading
4 instructional practices (including practices for
5 teaching students who experience initial dif-
6 ficulty in learning to read) and in effective in-
7 structional practices in small classes;

8 (B) paying the costs for uncertified or un-
9 licensed teachers hired to teach grades 1
10 through 3, to obtain full certification or licen-
11 sure within 3 years of such hiring;

12 (C) providing mentors or other support for
13 teachers in grades 1 through 3;

14 (D) improving recruitment of teachers for
15 schools that have a particularly difficult time
16 hiring certified or licensed teachers; and

17 (E) providing scholarships or other aid for
18 education and education-related expenses to
19 paraprofessionals or undergraduate students in
20 order to expand the pool of well-prepared, and
21 certified or licensed, teachers.

22 **SEC. 10. COST-SHARING REQUIREMENT.**

23 (a) FEDERAL SHARE.—The Federal share shall be
24 not more than—

1 (1) 100 percent for local educational agencies
2 with child poverty levels greater than or equal to 40
3 percent;

4 (2) 95 percent for local educational agencies
5 with child poverty rates greater than or equal to 30
6 percent but less than 40 percent;

7 (3) 85 percent for local educational agencies
8 with child poverty rates greater than or equal to 20
9 percent but less than 30 percent;

10 (4) 75 percent for local educational agencies
11 with child poverty rates greater than or equal to 10
12 percent but less than 20 percent; and

13 (5) 65 percent for local educational agencies
14 with child poverty rates less than 10 percent.

15 (b) LOCAL SHARE.—A local educational agency shall
16 provide the non-Federal share of activities assisted under
17 this Act through cash expenditures from non-Federal
18 sources, except that if an agency has allocated funds under
19 section 1113(e) of the Elementary and Secondary Edu-
20 cation Act of 1965 to 1 or more schoolwide programs
21 under section 1114 of that Act, the agency may use those
22 funds for the non-Federal share of activities under this
23 program that benefit those schoolwide programs, to the
24 extent consistent with section 1120A(c) of that Act and
25 notwithstanding section 1114(a)(3)(B) of that Act.

1 **SEC. 11. CARRYOVER OF FUNDS.**

2 Notwithstanding any other provision of law, any
3 funds received under this Act by a State or by a local edu-
4 cational agency shall remain available for obligation and
5 expenditure by the State or local educational agency for
6 1 fiscal year beyond the succeeding fiscal year described
7 in section 421(b) of the General Education Provisions Act.

8 **SEC. 12. ACCOUNTABILITY.**

9 (a) **SCHOOL REPORT.**—Each school benefiting from
10 the program under this Act, or the local educational agen-
11 cy serving that school, shall produce an annual report to
12 parents and the general public, regarding student achieve-
13 ment in reading for students served by the school or agen-
14 cy, respectively (using available evidence of reading
15 achievement of the students in grades 1 through 5 and
16 the assessments the State uses under part A of title I of
17 the Elementary and Secondary Education Act of 1965,
18 disaggregated as required under that part), average class
19 size in the regular classrooms of the school or schools
20 served by the agency, respectively, and teacher certifi-
21 cation or licensure and related academic qualifications for
22 teachers in grades 1 through 3 in the school or the schools
23 served by the agency, respectively.

24 (b) **LOCAL EDUCATIONAL AGENCY REPORTS.**—

25 (1) **INTERIM REPORTS.**—Each local educational
26 agency shall provide each year, to the State edu-

1 cational agency, a report summarizing the informa-
2 tion reported by, or for, the schools served by the
3 agency, under subsection (a).

4 (2) SUBSEQUENT REPORTS.—Within 3 years of
5 receiving funding under this Act, and each year
6 thereafter, each local educational agency shall pro-
7 vide evidence, to the State educational agency, of the
8 reading achievement of students, in grade 3, 4, or
9 5 in schools served under this Act, which shall be—

10 (A) in a form determined by the State edu-
11 cational agency;

12 (B) based on the assessments that the
13 local educational agency is using under part A
14 of title I of the Elementary and Secondary
15 Education Act of 1965, or on comparably rigor-
16 ous State or local assessments; and

17 (C) disaggregated to show the achievement
18 of students in individual schools and of students
19 separately by race and by gender, as well as for
20 students with disabilities, students with limited
21 English proficiency, migrant students, and stu-
22 dents who are economically disadvantaged.

23 (c) PROGRAM IMPROVEMENT PLAN.—A local edu-
24 cational agency with schools that fail to show improvement
25 in reading achievement within 3 years of receiving funds

1 under this Act shall, with the approval of the State edu-
2 cational agency, develop and implement a program im-
3 provement plan, to improve student performance.

4 (d) **REDUCED LOCAL ALLOCATIONS.**—If a school
5 participating in the program under this Act fails to show
6 improvement in the reading achievement of students in the
7 school within 2 years after the fiscal year for which the
8 local educational agency develops a plan under subsection
9 (b), the State educational agency shall reduce the amount
10 made available under this Act, for each fiscal year suc-
11 ceeding the fiscal year for which the determination is
12 made, to that local educational agency by an amount equal
13 to the amount made available under this Act, for the fiscal
14 year for which the determination is made, to that school.
15 The State educational agency shall continue to so reduce
16 the amount made available under this Act to that school
17 until the school demonstrates improvement in the reading
18 achievement of students in the school in accordance with
19 the plan.

20 **SEC. 13. PARTICIPATION OF PRIVATE SCHOOL TEACHERS.**

21 Each local educational agency receiving funds under
22 this Act shall, after timely and meaningful consultation
23 with appropriate private school officials, provide for the
24 inclusion (in a manner proportionate to the number of
25 children residing in the area served by the agency's project

1 under this Act who attend private schools) of private
2 school teachers in the professional development activities
3 the agency and the schools served by the agency carry out
4 with the funds.

5 **SEC. 14. EVALUATION.**

6 Using funds reserved under section 5(a), the Sec-
7 retary shall carry out an evaluation of the program au-
8 thorized by this Act, including a measurement of the pro-
9 gram's effectiveness in accordance with the amendments
10 made by the Government Performance and Results Act
11 of 1993.

12 **SEC. 15. WAIVERS.**

13 The Secretary may, at the request of a State edu-
14 cational agency, waive or modify a requirement of this Act
15 if the Secretary determines that such requirement impedes
16 the ability of the State to carry out the purpose of this
17 Act and that providing such a waiver or modification will
18 better promote the purpose of this Act.

19 **SEC. 16. DEFINITIONS.**

20 In this Act:

21 (1) **LOCAL EDUCATIONAL AGENCY.**—The term
22 “local educational agency” has the meaning given
23 that term in subparagraphs (A) and (B) of section
24 14101(18) of the Elementary and Secondary Edu-
25 cation Act of 1965.

1 (2) SECRETARY.—The term “Secretary” means
2 the Secretary of Education.

3 (3) STATE.—The term “State” means each of
4 the several States of the United States, the District
5 of Columbia, and the Commonwealth of Puerto Rico.

○

16(2)-
(3)

"Statement of the Managers" language on
Class Size Reduction and Teacher Quality Initiative

The conference agreement provides \$ _____, within the Education for the Disadvantaged account, for the first year of an initiative on class-size reduction and quality teaching. The conferees agree that the purpose of this initiative is to demonstrate the impact of smaller class sizes, employing well qualified teachers, on educational outcomes in the early elementary grades.

The conferees are impressed by the gains in student performance in a number of schools that have reduced class sizes. Most significantly, a landmark study of a four-year experiment in Tennessee found that smaller classes, in grades kindergarten through 3, resulted in improved student outcomes in all types of schools, with the greatest effects in inner-city classrooms. Follow-up studies found that these gains continued even after students entered larger classes after the third grade. Positive results have also been found in class-size reduction experiments in North Carolina and Wisconsin. Smaller classes allow teachers to provide more individualized instruction to students, to spend more time on instruction and less on other tasks, and to cover more material effectively; they also allow teachers to work more effectively with students who have learning problems and, potentially, can reduce these students' need for special education services in the later grades. Class-size reduction can be particularly beneficial in the early elementary grades because students in those grades are learning to read and to master the basics in math and other subjects.

The research available to the conferees also makes it clear that class-size reduction efforts will not succeed unless the additional teaching slots are filled with well-qualified teachers, and unless those teachers are prepared to take advantage of the opportunities presented in a smaller learning environment. Merely placing an adult in front of a classroom is not the answer. For this reason, the new initiative introduced through this appropriation stresses employment of qualified teachers in addition to class-size reduction.

The purpose of the initiative is to provide all States with the opportunity to undertake class-size reduction efforts in the early grades, using well-qualified teachers. Under the initiative, the Federal Government would not dictate any particular instructional or class-size reduction strategy to the States. Each State would be free to pursue its own objectives and plans. The Committee's goal, however, is that the 1999 appropriation will finance the first step in reducing class sizes in grades 1 through 3 to an average of 18 by 2005.

The conferees direct the Secretary of Education to allocate funds for this initiative to the States (including Puerto Rico and the District of Columbia) on the basis of each State's relative share of prior-year Title I grants under section 1122 of ESEA, except that the Secretary will reserve up to up to 1 percent of the appropriation for programs in the Territories and in schools supported by the Bureau of Indian Affairs and up to \$2 million to carry out an evaluation of the

initiative.

The conferees further direct that the State educational agency (SEA) of each State desiring to participate in the program will file an application to the Secretary. The application shall include: (1) a description of current regular classroom sizes in the local educational agencies (LEAs) of the State; (2) a description of the State's plan for using program funds to reduce class sizes in regular classrooms in grades 1 through 3 in the State; (3) the regular class-size goals the State intends to meet, and a justification for those goals; (4) the SEA's plan for allocating program funds within the State, including an estimate of the impact of those allocations on class sizes in the LEAs of the State, a description of the current and projected capacity of the State's school facilities to accommodate reduced class sizes, and an assurance that this plan will be made public within the State.

The conferees also direct that the State application include the SEA's strategy for improving teacher quality in grades 1 through 3 within the State, including a description of the actions the SEA will take to ensure the availability of a pool of well-prepared, certified teachers to fill the positions created with program funds, a description of how the SEA and LEAs will ensure that individuals hired for the positions created with program funds (including those who have pursued alternative routes to teacher certification) meet all of the State's requirements for full certification, or will be making satisfactory progress toward full certification within three years; and an assurance that the individuals hired as beginning teachers in grades 1-3 will be required to pass a teacher competency test selected by the State. The Secretary may also require the inclusion of additional information in the application.

States shall use their grants to make subgrants to LEAs for the purpose of reducing class sizes and improving instruction in grades 1 through 3. Each State may use up to one-half percent of its grant or \$50,000, whichever is greater, to administer the program and for State-level activities described below. The conferees direct that SEAs use the remaining funds to make subgrants on the basis of: (1) LEAs' current or projected class sizes, in regular classrooms, in grades 1 through 3, and (2) the relative ability of LEAs to finance class-size reductions with their own funds. SEAs may operationalize these requirements in a manner appropriate to needs and conditions in the State, but must provide each LEA in which at least 30 percent of children are from low-income families, or in which there are at least 10,000 such children, with a share of the State subgrant funds that is at least equivalent to the share of the State's Title I funds that the LEA received for FY 1998.

States may use the funds they reserve for State-level activities (as described above) for such activities as strengthening teacher licensure and certification standards, developing or strengthening teacher competency tests, and program monitoring. The SEA shall describe its plan for the use of State-level funds in its State application.

The conferees direct that, at the local level, LEAs use their subgrants to pay the salaries and benefits of the additional teachers needed to reduce class sizes in grades 1 through 3 to the level set by the State as the State goal. In addition, each LEA shall use at least 10 percent of its subgrant for activities to ensure that teachers who will teach in smaller classes are well prepared

Educ - class size

DRAFT
OCTOBER 9, 1998
12:15 PM

1 CLASS-SIZE REDUCTION

2 SEC. ____ . Part E of title I of the Elementary and
3 Secondary Education Act of 1965 is amended by adding at the end
4 thereof a new section 1504 to read as follows:

5 "CLASS-SIZE REDUCTION

6 "SEC. 1504. (a) FUNDS AUTHORIZED. There are authorized to
7 be appropriated \$ _____ for fiscal year 1999, which shall be
8 available for grants to States and, through the States, to local
9 educational agencies to train, recruit, and hire elementary
10 school teachers for the purpose of reducing the average class
11 size in grades 1 through 3 to 18 students.

12 "(b) REGULATIONS. The Secretary shall issue such
13 regulations as the Secretary determines necessary to carry out
14 this section, which-

15 "(1) shall include a graduated cost-sharing
16 requirement for participating local educational agencies based
17 on the child-poverty rate in the area served by the agency,
18 under which a local educational agency with a child-poverty rate
19 of-

20 "(A) 40 percent or above would not be required to
21 provide matching funds;

1 "(B) 30 percent or above (but less than 40
2 percent) would be required to provide 5 percent of the cost of
3 the activities carried out under this section; and

4 "(C) less than 10 percent would be required to
5 provide 45 percent of the cost of those activities; and

6 "(2) may include provisions relating to--

7 "(A) the use of funds by States, including the
8 awarding of grants to local educational agencies;

9 "(B) teacher preparation and certification; and

10 "(C) accountability for improved student
11 achievement.

12 "(c) ALLOCATIONS TO STATES.-(1) The Secretary may reserve
13 up to \$2 million of any amount available to carry out this
14 section to conduct an evaluation of the activities carried out
15 under this section.

16 "(2) After reserving any amounts under paragraph (1),
17 the Secretary shall reserve a total of not more than one percent
18 of the remaining amount to make payments, on the basis of their
19 respective needs, to--

20 "(A) American Samoa, Guam, the Virgin Islands,
21 and the Commonwealth of the Northern Mariana Islands for
22 activities, approved by the Secretary, consistent with this
23 section; and

1 "(B) the Secretary of the Interior for
2 activities, approved by the Secretary, consistent with this
3 section, in schools operated or supported by the Bureau of
4 Indian Affairs.

5 "(3) After reserving funds under paragraphs (1) and
6 (2), the Secretary shall allocate to each State with an approved
7 State plan an amount that bears the same relationship to the
8 remaining amount as the amount of funding the State received
9 under section 1122 of this Act for the previous fiscal year bore
10 to the total amount available for allocation under that section.

11 "(d) STATE PLAN. Each State desiring a grant under this
12 section shall submit to the Secretary of Education a State plan
13 at such time, in such manner, and accompanied by such
14 information as the Secretary may require.

15 "(e) MAINTENANCE OF EFFORT.--(1) A local educational agency
16 may receive funds under this section only if it submits to, or
17 has on file with, the State educational agency an assurance that
18 it will spend at least as much from non-Federal sources as it
19 spent in the previous year for teachers in regular classrooms in
20 grades 1 through 3 in schools receiving benefits under this Act.

21 "(2) The Secretary may waive or modify the requirement
22 of paragraph (1) for a local educational agency if the Secretary
23 determines that doing so would be equitable due to exceptional
24 or uncontrollable circumstances affecting that agency."

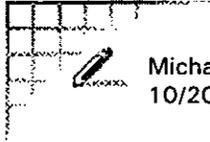
Program	FY1998	President's FY1999 Request	House Appropriations Committee FY1999	Senate Appropriations Committee FY1999
<u>Safe and Drug-Free Schools (State Grants and National Programs)</u> . Helps schools become safe, drug-free learning environments	\$556,000	\$556,000	\$556,000	\$556,000
<u>Safe and Drug-Free Schools Coordinators</u> . Places drug and violence prevention program coordinators in middle schools	- 0 -	\$50,000	- 0 -	- 0 -
<u>Educational Opportunity Zones</u> . Helps to raise student achievement in high-poverty urban and rural communities	- 0 -	\$200,000	- 0 -	- 0 -
<u>Raise Educational Standards - Goals 2000</u> . Helps schools raise academic standards, improve teaching, expand the use of technology and increase parental involvement	\$491,000	\$501,000	\$245,500 ¹	\$496,000
<u>Upgrade Teacher Skills - Eisenhower Professional Development (State Grants)</u> . Improves teachers' skills in core academic subjects	\$335,000	\$335,000	\$285,000 ²	\$335,000
<u>Interagency Research Initiative</u> . Improves reading and math instruction	- 0 -	\$50,000	- 0 -	- 0 -
<u>School to Work</u> . Connects classroom learning to future careers and to real work situations	\$200,000	\$125,000	\$75,000	\$125,000

¹ The House Appropriations Committee removes the priority of raising standards in Goals 2000 by permitting the funds to be used as an unfocused, unaccountable block grant.

² The House Appropriations Committee removes the priority of providing sustained professional development for teachers in the Eisenhower program by permitting the funds to be used as an unfocused, unaccountable block grant.

CLINTON VICTORY ON SMALLER CLASSES WITH QUALITY TEACHERS

PRESIDENT CLINTON'S GOAL	ADMINISTRATION'S PROPOSAL	FINAL AGREEMENT IN OMNIBUS APPROPRIATIONS BILL	PRESIDENT'S GOAL MET
CLEAR PURPOSE	<ul style="list-style-type: none"> • Reduce class size to 18 in the early grades 	<ul style="list-style-type: none"> • Reduce class size to 18 in the early grades 	✓
FIRST STEP TOWARD HIRING 100,000 TEACHERS	<ul style="list-style-type: none"> • \$1.1 billion in first year • Help school districts hire more than 30,000 teachers in the first year of a seven year-initiative to hire 100,000 teachers 	<ul style="list-style-type: none"> • \$1.2 billion in first year • Help school districts hire more than 30,000 teachers in the first year. 	✓
TARGETING NEEDIEST STUDENTS	<ul style="list-style-type: none"> • Targeted to high poverty students using Title 1 formula 	<ul style="list-style-type: none"> • Targeted to high poverty communities, with 80% of funds allocated by poverty and 20% by population count 	✓
GETTING DOLLARS TO LOCAL SCHOOL DISTRICTS	<ul style="list-style-type: none"> • 99.4% of funds to local school districts; • 0.0% for federal administration; 0.5% for costs to state of program administration and testing of new teachers; 0.1% for evaluation 	<ul style="list-style-type: none"> • 100% to local school districts • 0.0% for federal administration; 0.0% for costs to state of program administration and testing of new teachers ; 0.0% for evaluation 	✓
ENSURING TEACHER QUALITY	<ul style="list-style-type: none"> • Requires that local school districts spend at least 10% of funds on improving teacher quality • New teachers must meet state certification requirements • New teachers must pass state-selected competency test 	<ul style="list-style-type: none"> • Establishes 15% cap for local school district expenditures on improving teacher quality • New teachers must meet state certification requirements • School districts may use funds for teacher competency tests 	✓
ACCOUNTABILITY FOR RESULTS	<ul style="list-style-type: none"> • Must produce annual school report card to parents and the public on student achievement and class size 	<ul style="list-style-type: none"> • Must produce annual school report card to parents and the public on student achievement and class size 	✓



Michael Cohen
10/20/98 02:03:06 PM

Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP

cc:

Subject: Class size -- Out years

The analysis below basically says that we will need between \$3.5 and \$3.9 billion in 2005 in order to reach 100,000 teachers, rather than the \$2.8 billion in our original proposal. This is because this year's agreement dropped the matching requirement (average of 20%) and also because we assumed in our proposal that all the funds in the last two years would go to hiring teachers, with none going to training.

In light of this, I think our best approach to releasing numbers this week is to simply stick with the release of numbers for just this year, and generally assert that we are on track for 100,000 without providing particulars for the outyears. If pressed, we could say that we will work to get Congress to pass something next year that is consistent with our original proposal, in order to finish the job.

Alternatively, we could provide the same numbers for years 2-7 that we have been using up until now, based on our original proposal, and assert that we will go back to Congress next year and press them to pass our original proposal. However, I think this approach more explicitly undermines our victory claims, because it would force us to acknowledge that we didn't get the provisions that make our numbers work.

A third option, also undesirable from my perspective, is to put out a new spending trajectory that will give us the \$3.5-3.9 we need in the final year in order to get to 100,000 teachers. This approach would require us to both highlight what we didn't get, and armwrestle with OMB over the 2005 budget.

Any other ideas?

----- Forwarded by Michael Cohen/OPD/EOP on 10/20/98 01:49 PM -----



Thomas Corwin @ ed.gov
10/20/98 11:48:00 AM

Record Type: Record

To: Michael Cohen

cc:

Subject: Class size -- Out years

Mike (per your request)--

The original "trajectory" for funding class size was as follows:

FY 99	\$1.1B
FY 00	1.3
FY 01	1.5
FY 02	1.7
FY 03	1.735
FY 04	2.3
FY 05	2.8

If we assume that 10 percent of the money will go for "quality" and that there will never be a match, and that the \$35,000 per teacher average holds across the States, Territories, and BIA, then we would start out with 30,857 teachers in 1999 and get only to 70,000 teachers in 2005. And it would take about \$3.889 billion in 2005 to get to 100,000 teachers.

But remember that in our bill, in order to get the the 100,000 figure, we eliminated the requirement to spend 10 percent on quality after 2003. If we assume that, in the next round, we get through some kind of authorization that requires that all funds, beginning in 04, go for hiring teachers, then we would reach 80,000 in 2005 and would need only \$3.5 billion in order to make it to 100,000.

Tom

 Michael Cohen
09/25/98 03:24:07 PM

Record Type: Record

To: Bruce N. Reed/OPD/EOP
cc: Elena Kagan/OPD/EOP
Subject: class size/senate

Joan Huffer, Scott Fleming and I discussed their request for district-by-district class size numbers after yesterday's meeting. Scott is getting ED's budget office to produce the following:

1. District-by-district funding under our original proposal, for high poverty districts (however we defined it in our proposal). In our proposal, we required states to give high poverty districts the same percentage of these funds as they would get under Title 1. If memory serves me well, we targeted about 60-70% of the funds this way, so these numbers ought to be pretty large. States had discretion in how to target the rest of the money, so we will not be able to say much about wealthier suburban districts. These figures can be run over 1, 5, and 7 years.

2. District-by-district funding under Patty Murray's \$500 million Title 1 proposal. We can run numbers for virtually every district under this proposal, because it uses the Title 1 formula to all districts. However, we know from past experience that \$500 million distributed over nearly 15,000 districts doesn't produce very impressive local numbers, especially for one year. ED is playing with ways to address this, principally by figuring out some plausible approach to multi-year figures.

I'll follow up with ED to make sure this gets done.

TO: Elena Kagan (ww -2)
 Barbara Chow (Rm 260)
 Bruce Reed (ww -2)
 Mary Cassell (fax: 54875)

FROM: Mike Cohen

SUBJECT: Class Size language

Attached are three options for legislative language for the class size reduction initiative, in order of preference. Any of these options will enable us to implement the program in a fashion consistent with our initial vision and legislative proposal. The options are listed in priority order, with the assumption that the dynamics of the legislation will dictate which one will work.

Option 1: Patty Murray's class size bill--which is the bill we sent up last May, with a couple of minor agreed-upon changes she made at the request of some of the education groups. Obey's staff thought we might be able to get this language, especially as the funding level approaches \$ 1 billion.

This is clearly the preferred option because it gives us permanent legislation and everything we want in a bill. However, there may well be reluctance to incorporating a 20-page authorization bill--and there won't be time for negotiations over the details.

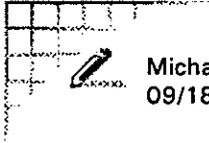
Option 2: Brief (4 line) legislative language, to be inserted into appropriations language for Title 1, accompanied by a 4-page manager's report. This is patterned after the Obey-Porter Comprehensive School Reform program in last year's appropriations bill. The report language basically incorporates the essence of our legislation, and directs the Secretary of Education to implement the program according to these requirements. This is the provision we had originally drafted to help Obey get this into Title 1.

The main advantage of this approach is that it gets the job done with the least amount of new legislative language to haggle over. The downside is that the direction comes entirely from report language rather than in statute.

Option 3: 3-page authorizing legislation, to be added as a new section (1504) of Title 1, that establishes the basic purpose of the program, requires the Secretary to develop regulations to implement the program, and specifies matching requirements and how the funds will be distributed to schools.

This approach gets more into legislation than Option 2 and gives the Secretary clear authority to regulate so he can run the program according to our overall approach. The Republicans may find the requirement that the Secretary issue regulations to be a big-government red-flag.]

Educ-class size
and
Educ-Block grants



Michael Cohen
09/18/98 12:26:26 PM

Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP

cc:

Subject: class size vote

class size was defeated 216-190; vote on dollars to classroom is going on now, and it will of course pass

Educ - block grants
and
Educ - class size

DRAFT SEPTEMBER 16, 1998 10:45 AM

Honorable Newt Gingrich
Speaker of the House of Representatives
Washington, DC 20515

Dear Mr. Speaker:

I am writing to express my strong objections to H.R. 3248, the "Dollars to the Classroom Act," as recently reported by the House Committee on Education and the Workforce, and my strong support for a substitute version of the bill, which I understand Representative Clay will offer, to help States and communities hire well-qualified teachers and reduce class size in the early grades, along the lines proposed by the President earlier this year.

The Clay substitute would provide much-needed assistance to 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. 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. 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.

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.

Unfortunately, the bill reported by the Committee goes in a completely different, and misguided, direction. Title I of the bill would convert a wide array of Federal education programs into a single block grant program. The President stated last fall that such a step is unacceptable, and that he would use his veto power to prevent this approach from becoming law. If H.R. 3248 were presented to the President in its current form, his senior advisors would recommend that he veto it.

The issue here is not about who controls public education -- we

all agree that that responsibility rests at the local and State levels. At stake, rather, is whether the Federal Government will maintain its long-standing, bipartisan commitment to helping local communities strengthen accountability, raise standards, and improve student achievement, by providing assistance that focuses on our neediest children and schools and on activities in which national leadership can play a critical role.

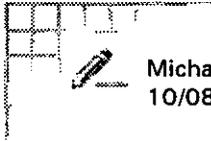
The American people rightly look to the Federal Government to focus its efforts not on general aid to school districts, which H.R. 3248 would provide, but for leadership on national priorities. These include helping States and school districts raise educational standards and educational achievement for all students, improving the quality of teaching, bringing the benefits of technology to our Nation's students, and increasing the availability of after-school programs.

This Administration has worked diligently to eliminate unnecessary regulations and take other steps to promote State and local flexibility in carrying out these targeted efforts. The Department of Education, for example, has eliminated 2/3 of its regulations relating to elementary and secondary education and has simplified the remainder. At the same time, we have supported strong accountability mechanisms, such as the Government Performance and Results Act of 1993, that focus attention on program effectiveness. Block grants would replace these worthy efforts with general aid, providing no focus, no meaningful accountability for results, and no rationale for ongoing support.

I also object to Title II of the Committee bill, which would provide broad authority to waive Federal requirements, now afforded to 12 States with comprehensive education reform plans, to all States. This proposal lacks the critical ingredient of the current "Ed-Flex" program in which those 12 States participate: meaningful accountability, connected to high standards and high expectations for all children, that must go hand in hand with such a broad waiver authority. I support expansion of the "Ed-Flex" program to additional States, but only when the links to challenging academic standards, high expectations for all children, and accountability for results are strong and clear.

The Office of Management and Budget advises that there is no objection to the submission of this report from the standpoint of the Administration's program and that enactment of H.R. 3248, as reported by the Committee, would not be in accord with the President's program.

Riley



Michael Cohen
10/08/98 05:33:04 PM

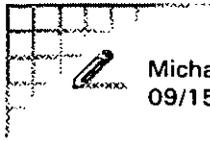
Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP

cc: Laura Emmett/WHO/EOP

Subject: class size numbers

Education Department estimates that if we get \$500 million we could add almost 18,000 new teachers, and \$700 million would result in roughly 25,000 teachers.



Michael Cohen
09/15/98 07:11:07 PM

Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP

cc: Laura Emmett/WHO/EOP

Subject: daily education update

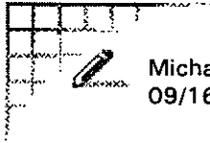
Here are developments you should know about for the morning meeting.

1. House Dems will be able to offer a germane class size reduction amendment to the \$ to classroom block grant on Friday; no intelligence yet on vote count; while its unlikely that they will bring block grant to the floor if they don't have the votes, it was unclear earlier this week that there were enough Rep. votes to pass it. In his speech, Riley called for class size reduction as an alternative to the block grant proposal.

2. Archer's tax bill, to be marked up on Wed. or Thurs., contains a small school construction proposal--which Dems believe is a bad proposal that provides a disincentive for states to build new buildings (I don't have any details on this). Dems will offer an amendment that will postpone Archer's tax cuts until after social security has been saved. However, the committee Dems, including Rangel, are not planning to offer our school construction proposal, much to the chagrin of the education groups. Apparently the Dem. caucus can't unite around a small set of tax breaks that they can pay for.

I'll have updates on testing, charter schools, teacher testing and other issues tomorrow

Educ - class size



Michael Cohen
09/16/98 07:08:22 PM

Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP

cc: Laura Emmett/WHO/EOP

Subject: EDUCATION UPDATE FOR AM

House Rules committee accepted Bill Clay-sponsored class size amendment as substitute for Dollars to classroom block grant. Debate will begin Thursday after 5:00pm, and vote will occur Friday before noon. We will lose. Larry Stein, Ann Lewis, Barbara Chow, I and several others think that POTUS should open his Friday afternoon statement to the PIR meeting with a comment on how the Republicans made the wrong move by rejecting smaller classes. I'm working with speechwriting to get this into his remarks.

7-29-98

Reilly - use survey
to all
schools
on when
school
start!

SPECIAL ANALYSIS

New Evidence That Class Size Matters

A new evaluation of an important educational experiment has found promising evidence that smaller classes improve children's academic achievement.

Problems with previous studies. Studies using non-experimental data on school characteristics and student performance have tended to find little relationship between expenditures and outcomes. But these studies are potentially flawed to the extent that they have not controlled adequately for underlying factors, such as innate ability or family resources, that also affect student outcomes. Moreover, reverse causality may have been present if resources were directed toward the schools with the greatest problems. An experimental approach, in which students are randomly assigned to classes receiving different amounts of school resources, offers a way around these methodological problems. Random assignment serves to remove underlying differences in the average characteristics of students in each type of class.

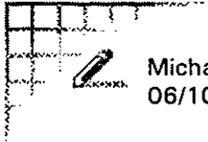
Capred
Emanuel
Reed
HRC
COS

STAR pupils. Although the experimental approach has been widely used in other areas, such as welfare and training, it has rarely been used to evaluate education outcomes. The Tennessee Student Teacher Achievement Ratio (STAR) experiment is a notable exception. In this study, students in kindergarten through grade three were randomly assigned to either a small class (with an average of about 15 students), a regular-size class of about 22 students, or a regular-size class with a teacher's aide and about 23 students. For the most part, students remained in their original class-size assignment until the third grade.

The results. Promising evidence from the STAR experiment includes the following:

- **Large initial effects.** At the end of the first year, test scores of students assigned to small classes exceeded those of other students by about 5 to 8 percentile points. By contrast, the presence of a teacher's aide made little or no difference in the scores of students in regular-size classes. Evidence on how additional years in a small class affect subsequent relative test scores is inconclusive.
- **Larger effects for disadvantaged students.** Both minority students and students participating in the reduced-price lunch program tended to show larger relative test score improvements from being assigned to a small class.
- **Lasting effects.** A study that followed students for 4 years after they had left the experiment found that those who had been assigned to small classes maintained their achievement gains.

Implications. These results suggest that judiciously applying additional resources in order to reduce class size can improve students' academic achievement. However, it is important to note that this study was conducted only in one state and only among very young students.



Michael Cohen
06/10/98 11:06:21 AM

Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP
cc:
Subject: Re: Class Size offsets

Here are the offsets OMB has come up with for class size. Are you ok with this list? I'll pass on what we get from Treasury on the tax side later today.

We are meeting with Greg Williamson from Murray's staff later today. I'm sure that he's going to push us--now, or within the next day or two--to commit to express our support for the offsets that Murray finally goes with. As far as I can tell, our biggest problem in doing that will be that we may want to use some of the offsets down the road for other purposes. I don't know if we can get by being supportive now, and worrying about using these offsets for other purposes when we get that far down the road--though I'll try to make that work.

Another point--these offsets won't add up to \$7.4 billion over 5 years or \$12.4 over 7--the number we need to keep our message of reducing class size to 18 in grades 1-3. Nonetheless, I think our priority should be to keep our message consistent, and not back off on the grade levels of average class size. We can try to do this either by simply not specifying how long it will take to get there, by trying to get away with fudging the offsets enough so no one can figure out that we can't reach our original goal, or by talking about the Murray bill as a first step toward our goal.

Sound ok to you?

----- Forwarded by Michael Cohen/OPD/EOP on 06/10/98 10:47 AM -----



Mary I. Cassell 06/10/98 10:07:18 AM

Record Type: Record

To: Michael Cohen/OPD/EOP
cc:
Subject: Re: Class Size offsets

Here's where things stand on class size offsets.

There are a number of offsets available to use for Murray's bill. The way Jack Lew would like to approach this is to provide Murray an updated list of the mandatory offsets from the budget (updated to reflect which ones are still available and current costing estimates). That way, Murray can chose from the list, rather receiving a list of offsets that may appear to be hand-picked by the Administration. We're updating the list from the budget now and will finish it by early afternoon. It's OK to brief Murray verbally on pros and cons of various offsets -- Jack just doesn't want anything in writing that is different from the complete list that was in the budget.

Examples of mandatory offsets that were in the budget and are still available include:

- Social Services Block Grant -- about \$500 M in 1999 and 2000 (after that, over \$600 M from SSBG is used by the highway bill)
- Medicaid Cost Allocation proposal -- about \$300-\$600 M a year based on changing match rates
- Student Loans -- about \$50-\$75 M a year resulting from a reduction in the amount guaranty agencies keep from default collections
- FHA -- about \$200 M a year resulting from increasing the FHA loan limit to conform to the Fannie Mae and Freddie Mac limits.

We still have not heard from Treasury on tax options, but, as you know, there seem to be a few possibilities that could easily generate \$1-2 billion a year.



Michael Cohen
03/26/98 04:06:25 PM

Record Type: Record

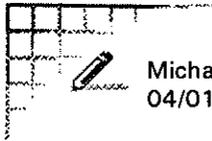
To: Elena Kagan/OPD/EOP

cc:

Subject: Quick question on Class size/tobacco

I'm reviewing the draft class size legislation. Following standard Education Department practice and Congressional practice, ED's draft has set aside funds for the following purposes "off the top" of the annual funding amount:

1. **\$2 million per year for a program evaluation**(out of at least \$1.1 billion per year.) **administered by the Education Department.** I think a program evaluation is very important, and the price is certainly cheap enough. However, this would be money that stays at the federal level rather than going to states. Is this a serious problem in the tobacco context, or is the amount so miniscule as to not cause a problem?
2. **Up to 1% of the total funds for payments to the Outlying Areas** (e.g., American Samoa, Guam, the Virgin Islands, and Northern Mariana Islands) **and the Bureau of Indian Affairs, to reduce class size in schools operated by those jurisdictions.** This is standard practice in all formula-driven federal education programs to states. I can't think of a good justification for not following this practice in the class size bill, unless the states would think that the territories and BIA shouldn't get a piece of their action. Please advise.



Michael Cohen
04/01/98 05:42:07 PM

Record Type: Record

To: Bruce N. Reed/OPD/EOP
cc: Elena Kagan/OPD/EOP
Subject: class size set-aside

It turns out that the Child Care Block Grant provides a set aside for the Trust Territories and Outlying Areas. It also provides money directly to the Indian Tribes--not through BIA or through the States.

I believe this means that we should keep the set-aside for outlying areas in the class size bill, as proposed by ED. We should also stick with ED's practices of providing \$ for Tribes through the BIA; neither a set-aside for Indians nor the particular means of delivering it should be seen as out of the ordinary by the states. And I don't see any value in breaking new ground in the education world for how to get funds to the tribes.

THE WHITE HOUSE

WASHINGTON

May 7, 1998

REMARKS TO THE DELAWARE STATE LEGISLATURE

DATE: May 8, 1998
 TIME: 12:30 - 2:10 p.m.
 LOCATION: Legislative Hall, Senate Chambers
 FROM: Mickey Ibarra
 Bruce Reed
 Fred DuVal

I. PURPOSE

To highlight your administration's education agenda in a speech to a joint session of the Delaware State Legislature. You will announce the transmission of your class size legislation, and discuss two Department of Education reports: one that demonstrates reduced class size leads to improved student achievement, and a second on your policy for enforcing zero tolerance for guns in school.

II. BACKGROUND

You will announce the transmission of your class-size legislation to Congress. The initiative will provide \$12.4 billion over seven years to ensure that every child receives personal attention, receives a solid foundation for further learning, and learns to read independently and well by the end of third grade. The initiative will also reduce class size in grades 1-3 to a nationwide average of 18 students by providing funds to help local school districts hire and pay the salaries of an additional 100,000 teachers. States will receive funds to boost teacher quality through teacher training, recruitment, and testing, and new teachers will be required to pass state competency tests.

Additionally, you will announce the findings of a new Education Department report showing that reducing class size - especially in the early grades - leads to improved student achievement. According to the report's analysis of research data and trends:

- **Reducing class size to below 20 students leads to higher student achievement.** The report shows that students in smaller classes would on average move from the 50th percentile to above the 60th percentile and they would outperform their peers in larger classes. A national analysis of data on 4th graders in 203 school districts, and 8th graders in 182 school districts shows that lower student/teacher ratios increases math achievement. In addition, follow-up studies show that students from smaller classes in Tennessee continued to outperform their peers in all academic subjects even after returning to larger classes in the 4th grade.

REMARKS TO THE DELAWARE STATE LEGISLATURE
PAGE TWO

- **Smaller classes make it easier for teachers to focus more on instruction and less on discipline.** In Burke County, North Carolina's class size reduction effort, the percentage of classroom time devoted to instruction increased from 80 percent to 86 percent, while the time devoted to discipline and other non-instructional activities decreased.
- **A focus on teacher quality and training makes a difference.** Smaller classes will only boost student achievement if teachers are prepared to teach well in these classes. A review of more than 100 research studies cautioned that positive effects of smaller classes were less likely if teachers did not change their instructional methods and classroom procedures in the smaller classes.
- **The benefits of smaller classes are clearest through the third grade.** The clearest evidence of positive effects of smaller classes on student performance are in the primary grades, particularly kindergarten through third grade. Research on class size reduction efforts in Tennessee, Indiana, Wisconsin, and North Carolina show clear academic gains for students in smaller classes through the third grade.

You will also be announcing the findings of a new Department of Education report on the Gun-Free Schools Act. This report indicates that all states have now passed legislation providing that students who bring firearms to school will be expelled for at least one year. Although most schools do not report serious crimes to law enforcement - and less than 1% of students report bringing a gun to school - this new report shows that more than 6,000 students were disciplined for bringing a firearm (i.e., handguns, rifles, bombs, etc.) to their schools during the 1996-1997 school year. Most of these cases involved handguns that were brought to high schools.

Governor Tom Carper (D-DE), who will be introducing you to the State Legislature, will become the Chair of the National Governors' Association in August, 1998. The Governor is considered a leader among the governors in welfare reform and has recently concluded his service on the AMTRAK Board, on which he played a pivotal role in successful labor negotiations.

You will be the first U.S. President to address the Delaware Legislature. The State Senate is comprised of 13 Democrats and 8 Republicans. The Delaware State House consists of 27 Republicans and 14 Democrats. Two state legislators said they will not be attending your speech for political reasons. Governor Carper's office assured us, however, that this is not a serious issue.

REMARKS TO DELAWARE STATE LEGISLATURE
PAGE THREE

Delaware was the first state to ratify the Constitution, the second smallest U.S. state in area, and fifth smallest in population. The job market has increased rapidly in Delaware since the 1980's when Governor Pete du Pont (R) liberalized Delaware's banking laws to encourage out-of-state banks to locate their operations in Delaware.

III. PARTICIPANTS

The President
Governor Tom Carper (D)
Lieutenant Governor Ruth Ann Minner (D)
Senate Pro Tempore Tom Sharp (D)
House Speaker Terry Spence (R)
41 State Representatives
21 State Senators

IV. PRESS PLAN

Open press

V. SEQUENCE OF EVENTS

- **YOU** arrive and are greeted by Senate Pro Tempore Tom Sharp (D) and House Speaker Terry Spence (R)
- **YOU** proceed to Governor Tom Carper's ceremonial office for photo opportunity
- **YOU** proceed to Senate chamber with Senate Pro Tempore Sharp and House Speaker Spence
- **YOU** are announced by the Sergeant of Arms onto the Senate Floor and proceed up to dais
- Senate Pro Tempore Sharp delivers remarks and then **YOU**, House Speaker Terry Spence and Senate Pro Tempore Tom Sharp proceed to your seats
- Lieutenant Governor Ruth Ann Minner delivers remarks and introduces Governor Carper
- Governor Carper delivers remarks and introduces **YOU**

REMARKS TO DELAWARE STATE LEGISLATURE
PAGE FOUR

- **YOU** deliver remarks
- **YOU** depart

VI. REMARKS

To be provided by Speech Writing

VII. ATTACHMENTS

Education in Delaware Fact Sheet

Summary of Class Size Legislation

Biographies of Governor Tom Carper, Lieutenant Governor Ruth Ann Minner, House Speaker Terry Spence and Senate Pro Tempore Tom Sharp

EDUCATION REFORM IN DELAWARE

With bipartisan leadership and strong support from the business community, Delaware has undertaken a broad array of education reforms quite consistent with your education agenda. Delaware is moving ahead with efforts to set standards for students, teachers, and schools. The state is also supporting teachers who seek and gain certification from the National Board for Professional Teaching Standards, and Governor Carper has proposed an accountability plan including curbs against social promotion.

Student Academic Standards and Assessments. This week, the state is administering its first-ever statewide assessment of how students are doing according to Delaware's new academic standards, with testing in math and language arts (reading, and writing) for grades three, five, eight, and ten. Next year, similar tests will be given in science and social studies. There was extremely broad public involvement in the development of these standards, with State Board approval in 1995 coming after a three-year process of development and public review led by commissions representing school districts, business and institutions of higher education.

According to Delaware, the standards 'promote methods that require students to participate in learning activities that are relevant to them and that address real-world problems and issues...rather than encourage instructional methods that allow students to passively receive information from the teacher.' The assessments include multiple choice, as well as questions involving short answers and essays. Delaware's standards were rated favorably by the American Federation of Teachers and the Council for Basic Education and received mixed reviews from Fordham Foundation (Checker Finn's group). Each of these groups has rated standards from states across the nation.

Teacher And Administrator Standards and Assessments. In January 1998, the State Board of Education approved standards for what Delaware teachers and administrators ought to know and be able to do in their subject area and related to student learning styles, instructional practices, and assessment strategies. Delaware is considering the use of these standards as a basis for teacher certification, performance appraisal, and possibly even recertification.

All Delaware teachers are currently required to take and pass a basic teacher competency test by the end of their first year of teaching, and Governor Carper has proposed requiring teachers to pass this test before getting a license to begin teaching. Carper is also proposing that Delaware develop higher-level performance-based assessments for teachers that could become the basis for gaining licensure and certification.

Meanwhile, the state is helping teachers gain certification from the National Board for Professional Teaching Standards, with ten Delaware teachers already board-certified. The legislature appropriated funds to cover the assessment fees for another 15 teachers seeking Board certification, and Delaware teachers who gain board certification will receive an additional \$1500

in pay per year.

Ending Social Promotion and Accountability. Governor Carper has proposed to the legislature a plan for greater accountability for Delaware students and schools. The plan would curb social promotion, requiring children to read at or near grade level before leaving third and fifth grades, and perform at or near grade level in both reading and math before leaving the 8th grade. The plan would also take actions to turn around consistently low-performing schools and school districts, including accreditation and cash bonuses for schools that show real improvements over two years and calling for school district interventions in lower-performing schools.

The legislature is currently considering the plan and it is supported by the PTA, the business community, and the NAACP. But many of the state's education organizations -- including the state organizations representing superintendents, local school boards, and teachers -- have offered alternative accountability plans and are negotiating changes in the Governor's plan. While these groups are not opposing the concepts of social promotion and accountability, they have concerns about certain details. For example, the Delaware superintendents' association is wary of any state involvement at all in school accountability, and the Delaware education association is working to include measures for school performance beyond just student test scores. The Governor's office is hopeful that agreement can be reached on most of these issues.

Reducing Class Size. Carper is negotiating with legislative leaders over a plan to reduce class size from kindergarten through the third grade. Carper's \$7.5 million plan would cap class size in these grades to 22, and Senator Thomas Sharp, President Pro Tem of the Delaware Senate, is pushing for additional funding to reduce class size even further. There seems to be extremely broad support in the Delaware legislature for these efforts to reduce class size in the early grades.

Educational Technology. Delaware has been moving forward with efforts on educational technology and next year plans to become the first state in the nation to wire every public school classroom with fiber optic cable. With strong support from the private sector, Delaware is also providing technology training for teachers and high-quality software.

Charter Schools, Public School Choice, and School Report Cards. Bipartisan support for public school choice and charter schools have produced laws and authorization for charter schools, intra-district, and inter-district public school choice in the state. 9,000 (out of 110,000) students are in public schools chosen by them and their families. Six charter schools have opened in the state including the state's first charter school -- the Charter School of Wilmington. Visited by Mrs. Clinton in 1996, this school was opened with very active support from the corporate community and focuses on math, science, and technology. The student population mirrors the diversity of the state, and the school had the highest writing scores in the state in 1997. The State Department of Education also publishes "consumer guides" to every public school in the state, including test scores, student-teacher ratios, drop-out rates, and other data.

SUMMARY OF CLASS SIZE LEGISLATION

To master the basics and learn to read well, students need teachers who are prepared to teach well in smaller classes. Your class size reduction initiative will help do this in grades 1-3 by:

Requiring State Teacher Competency Testing for New Teachers: States would be required to implement competency testing for new teachers. Each state would select the tests it determines is most appropriate for this purpose. Most states have such tests. Participating school districts would be required to hire teachers who are fully certified or working towards full certification. School districts could use funds to provide teachers with the additional training needed to meet certification requirements.

Providing Funds for Teacher Training and Testing: At least 10% of the funds in this initiative would be used to promote high quality teaching by (1) training teachers in proven practices for teaching reading and in effective practices in small classes; (2) providing mentors or other support for newly hired teachers; (3) providing incentives to recruit qualified teachers to high poverty schools; and (4) testing new teachers before they are hired and developing rigorous tests for beginning teachers.

Encouraging States to Adopt Rigorous Professional Tests and Upgrade Teacher Certification Requirements: Teachers should be able to demonstrate that they know the subject to be taught and have the necessary knowledge and skills to help their students reach challenging state academic standards. States would be encouraged to use a portion of their funds to toughen teacher certification requirements and to require new teachers to demonstrate competence. For example, states could use these funds to develop rigorous tests of subject matter expertise and professional knowledge that prospective teachers would be required to pass before they start teaching.

Holding Schools Accountable for Results --Helping Every Child to Read Well and Independently By the End of the Third Grade: School districts receiving these funds would be required to show that each school is making measurable progress in improving reading achievement within 3 years, or take necessary corrective actions --such as providing additional teacher training, revising the curriculum, or implementing proven practices for teaching reading. School districts could lose funding if there is no subsequent improvement in reading achievement in those schools. School districts would also be required to publish an annual school report card with clear information on student achievement, class size, and teacher qualifications.

Targeting Funding to Areas of Greatest Need: The Administration's initiative would distribute funds to states on the basis of the Title 1 formula. Within the state, each high-poverty school district would receive the same share of these funds as it received under Title 1, and the remaining funds would be distributed within the state based on class size. Matching funds would be required from participating school districts, on a sliding scale ranging from 0-50%, with high-poverty districts contributing the least. Once a state has reached an average class size of 18 in grades 1-3, it could use these funds to further reduce class size in the early grades, or it could extend its efforts to other grades.

Providing Facilities for Additional Classrooms: In order to help school systems meet the need for additional classroom space, you are (1) proposing a \$10 billion school modernization initiative over 10 years, that will provide incentives for communities to invest in local school facilities by leveraging \$22 billion in bonds during 1999-2000; (2) ensuring that changes to facilities in order to accommodate class size reductions is an allowable use of school modernization funds; (3) allowing for phased-in implementation of class size initiative to enhance state/local planning.

Building on Successful Reforms in Arkansas: As part of his comprehensive education reforms while Governor of Arkansas, you reduced class size in Arkansas to 20 in kindergarten and 23 in grades 1 through 3. Your 1983 education reform plan also included a statewide intensive training program for elementary teachers and principals to improve teaching of reading, as well as basic skills testing for new teachers and basic skills and subject matter testing for experienced teachers.

BIOGRAPHIES OF LEADING ELECTED OFFICIALS

Hon. Tom Carper Governor of Delaware

Born in Beckley, West Virginia, Carper grew up in Danville, Virginia. He attended Ohio State University, graduating in 1968 with a bachelor's degree in economics. He completed five years of service as a Naval flight officer, serving in Southeast Asia during the Vietnam War. In 1973, following his active military service, Carper moved to Delaware to earn an MBA at the University of Delaware. He worked in Delaware's economic development office from 1975 to 1976, and then was elected State Treasurer at age 29 -- serving three consecutive terms.

Carper was elected in 1982 to the U.S. House of Representatives where he served five terms.

Carper was then elected governor in 1992. As Governor, he has focused on job creation; overhauling both the state's education and welfare systems; strengthening families and reducing teenage pregnancy; and improving the state's credit rating while lowering taxes and preventing crime. In July of 1997, Carper was tapped as vice-chair of the National Governors' Association. When he assumes the NGA chairmanship next year, he will become the first Delaware governor ever to hold the top post in that organization. He is also the only governor on the nation's nine-member Amtrak Board of Directors.

Hon. Ruth Ann Minner Lieutenant Governor of Delaware

In 1974, Ruth Ann became a rising star in the Democratic Party when she was the first woman elected to the House of Representatives from her Milford district. Rep. Minner spent four terms on the Bond Bill Committee, mastering the art of responsible capital spending. In 1982, she was elected to the state Senate where she eventually served three terms.

Lt. Governor Minner was born and raised on a farm and left high school at age 16 to help out. She married her first husband, Frank Ingram, a year later. Widowed at age 32 when Frank died of a heart attack, she was suddenly a single parent with no education and three sons to raise. While working to support her family, she earned her general equivalency degree from Delaware Technical and Community College and took University of Delaware parallel program courses in education. She married Roger Minner in 1969 and together they built the family business. Roger succumbed to cancer in 1992.

She was honored as Mother of the Year in 1993 and Woman of the Year in 1985. In 1995, she was inducted into the Delaware Women's Hall of Fame. Ruth Ann still lives on a farm near Milford where she enjoys gardening, fishing and spending time with her family, especially her seven grandchildren.

Hon. Terry R. Spence
Speaker of the Delaware House of Representatives

He attended Goldey Beacom College where he received an A.S. and Wilmington College, where he received a B.S. The Speaker served in the Delaware Air National Guard, is retired from the DuPont Company and worked for the Brooks Courier.

First elected to the House in 1980, Spence has been the Speaker of the House for nine years, where he has served on the Administration, Desegregation, Ethics, and Legislative Council Committees.

Spence and his wife, Nancy, have four children.

Hon. Tom Sharp
Senate Pro Tempore

Sharp served in the Army National Guard for eight years and worked as a sheet metal apprentice for four years at tech school.

He has served over 20 years in the Senate, and for all but a few years, was the Senate Majority Leader. Currently, Sharp works for the Newcastle County Vocational School District as the Supervisor of Building and Grounds.

He attended Henry C. Conrad High School where he met his wife, Judy; they wed after high school. Sharp has been married for 38 years and they have three children and two grandchildren who are twins.

Class Size Q's and A's
May 8, 1998

- Q. The Senate already rejected a class size amendment several weeks ago when it took up the Coverdell bill, along with other key parts of the President's education agenda, such as school construction. What do you expect Congress to do with the legislation the President transmitted today?**
- A. We expect the Congress to take this proposal up, and we will fight to get it passed in both the House and Senate. The fact that the Senate turned this down as an amendment to the Coverdell bill does not mean it will do so when the proposal is considered on its own terms. As we learned in 1996, as we get closer to the Fall elections, Congressional interest in taking steps to improve education increases. Reducing class size and modernizing school buildings are among the most important and tangible steps this Congress can take to improve our schools.

This proposal is an important part of the President's overall effort to strengthen public education. Parents and teachers know that children will learn more in smaller classes, and the report released by the Education Department backs that up with solid research evidence. This national effort to reduce class size in the early grades will help significantly improve the quality of our public schools.

Smaller classes should not be a partisan issue. It isn't a partisan issue outside of Washington, where governors of both parties (e.g., Wilson in CA, Gilmore in VA, Carper in DE) have launched their own efforts to reduce class size. Mayors of both parties, who met with the President just yesterday, support federal funding to help reduce class size. We hope the Congress will join with parents, educators and elected officials to support this effort on a bipartisan basis.

- Q. The President has proposed to pay for this class size reduction initiative out of funds from the proposed tobacco settlement. Yet in an interview (with Al Hunt) last week, the President said he would be willing to let Congress give states more flexibility in how to spend tobacco money. How hard is the President going to fight for this proposal?**
- A. Right now, the President is focusing on making sure Congress passes legislation that will dramatically reduce youth smoking. As the legislative process progresses, we will work closely with the Congress to ensure that the President's priorities are reflected in how tobacco revenue is spent. The President is going to fight hard for this proposal, as he has been doing for all of his education proposals. That's why he went to Delaware today--to continue to make the case for his proposals throughout the country.

Q. The President has proposed to pay for this class size reduction initiative out of funds from the proposed tobacco settlement. If the Congress doesn't pass tobacco legislation will the President be forced to drop this proposal, or is there another funding source for this?

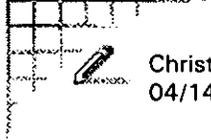
A. Of course, we expect the Congress to pass tobacco legislation this year. The President and members of Congress from both parties are working to make that happen, and we believe it will. But if tobacco legislation does not provide funds for these purposes, we will look for other offsets. This is a high Administration priority, and we will work hard to find effective funding mechanisms.

Q. Delaware is trying to pass its own legislation to reduce class size in the early grades. Why should the federal government do the same thing, if states are already doing it?

A. First, there are many states and many communities which are not yet working to give students small classes, so it is a mistake to assume that because some states are working to lower class size that all are. Second, while it is very important to give students smaller classes, it is also expensive to do this. The President has called for national effort to create smaller classes, and for creating a partnership between federal, state and local governments to accomplish this goal. The President's proposal provides significant resources to help states and communities reduce class size.

Q. California already has a major initiative to reduce class size to 19 students in grades 1-2. If the President's proposal passes, wouldn't a state like California simply stop spending its own money on this, and use federal money instead?

A. Like most federal education programs, the President's proposal would require states to continue its own efforts and not simply substitute federal funds for state funds. But, California could use the funds under this program to further reduce class size in the early grades -- say to 15 students. Or, it could use these funds to expand its efforts to additional grades.



Christa Robinson
04/14/98 11:21:05 AM

Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP
cc: Jonathan H. Schnur/OPD/EOP
Subject: Delaware Trip

As you may know, the Delaware trip is definitely off b/c of the lack of travel funds. Once the Alabama trip was scheduled for tomorrow, Sylvia and John had to cut another trip.

Mike thinks we should still try confirm a class size event on May 8th here in D.C. I'll work w/ scheduling on that. Please let me know if you have other ideas.

A NATIONAL EFFORT TO REDUCE CLASS SIZE: SMALLER CLASSES WITH QUALIFIED TEACHERS

January 26, 1998

REDUCING CLASS SIZE IN GRADES 1-3 TO NATIONWIDE AVERAGE OF 18. In his State of the Union address, President Clinton will propose a \$12 billion initiative over 7 years (\$7.3 billion over 5 years) to help local schools provide small classes with qualified teachers in the early grades. This will help make sure that every child receives personal attention, gets a solid foundation for further learning, and learns to read independently by the end of third grade. The new initiative will reduce class size in grades 1-3 to a nationwide average of 18, by providing funds to help local school districts hire and pay the salaries of an additional 100,000 teachers. States will receive funds for teacher training, and new teachers will be required to pass state competency tests.

Small Classes Make a Difference. Studies confirm what parents and teachers know from experience--small classes promote effective teaching and learning. In a landmark four-year experimental study of class size reduction in grades kindergarten through 3 in Tennessee, researchers found that students in smaller classes earned significantly higher scores on basic skills tests in all four years and in all types of schools. The effects of smaller classes were largest for students in inner-city classes. Follow-up studies have shown that these achievement gains continued after the students returned to regular-size classes after third grade. Teachers in the study reported that they preferred small classes in order to better identify student needs, provide more individual attention, and cover more material effectively.

A Competent Teacher in Every Classroom. To master the basics and learn to read well, students need teachers who are qualified to teach. President Clinton's class size reduction initiative will help provide qualified teachers in grades 1-3 by:

Requiring State Basic Skills Testing for New Teachers: States would be required to implement basic skills testing for new teachers, to ensure parents that new teachers have basic reading and math skills. Each state would select the tests it determines is most appropriate for this purpose. Most states have such tests. Participating states and school districts would also be required to ensure that individuals hired to fill these new positions be either fully certified, or making satisfactory progress toward full certification. School districts could use funds to provide teachers with the additional training needed to meet certification requirements.

Providing Funds for Teacher Training and Testing: 10% of the funds in this initiative can be used to promote high quality teaching by (1) training teachers in proven practices for teaching reading and in effective practices in small classes; (2) providing mentors or other support for newly hired teachers; (3) providing incentives to recruit qualified teachers to high poverty schools; and (4) testing new teachers before they are hired and developing more rigorous tests for beginning teachers.

Encouraging States to Adopt Rigorous Professional Tests and Upgrade Teacher Certification Requirements. Teachers should be able to demonstrate that they know the subject to be taught and have the necessary knowledge and skills to help their students reach challenging state academic standards. States would be encouraged to use a portion of their funds to toughen teacher certification requirements and to require new teachers to demonstrate competence. For example, states could use these funds to develop rigorous tests of subject matter expertise and professional knowledge that prospective teachers would be required to pass before they start teaching.

Holding Schools Accountable for Results. School districts receiving these funds would be required to show that each school is making measurable progress in improving reading achievement within 3 years, or take necessary corrective actions -- such as providing additional teacher training, revising the curriculum, or implementing proven practices for teaching reading. School districts could lose funding if there is no subsequent improvement in reading achievement in those schools. School districts would also be required to publish an annual school report card, providing parents and taxpayers with clear information on student achievement, class size, and teacher qualifications.

Targeting Funding. Funds for the President's class size reduction initiative will be distributed to states on the basis of the Title 1 formula. Within the state, each high-poverty school district would receive the same share of these funds as it received under Title 1, and the remaining funds would be distributed within the state based on class size. Matching funds would be required from participating school districts, on a sliding scale ranging from 10-50%, with high-poverty districts contributing the least. Once a state has reached an average class size of 18 in grades 1-3, it could use these funds to further reduce class size in the early grades, or it could extend its efforts to other grades.

Providing Facilities for Additional Classrooms. In order to help school systems meet the need for additional classroom space, the President is (1) proposing a \$10 billion school modernization initiative over 10 years, that will provide incentives for communities to invest in local school facilities by leveraging \$22 billion in bonds during 1999-2000; (2) ensuring that changes to facilities in order to accommodate class size reductions is an allowable use of school modernization funds; (3) allowing for phased-in implementation of class size initiative to enhance state/local planning.

Building on Successful Reforms in Arkansas. As part of his comprehensive education reforms while Governor of Arkansas, Bill Clinton reduced class size in Arkansas to 20 in kindergarten and 23 in grades 1 through 3. His 1983 education reform plan also included a statewide intensive training program for elementary teachers and principals to improve teaching of reading, as well as basic skills testing for new teachers and basic skills and subject matter testing for experienced teachers.

Class Size Q's and A's

1. How much does this proposal cost, and how will it be paid for?

This initiative will cost \$12 billion over 7 years, and \$7.3 billion over 5 years. It fits within the President's commitment to send Congress a balanced budget. Funding for this initiative will come from funds provided to states as part of comprehensive tobacco legislation.

2. What is class size in grades 1-3 now?

The nationwide average is 22, though many communities have classes much larger than that.

3. How does this proposal to hire 100,000 teachers compare with other Congressional proposals to hire additional teachers that have recently been announced?

A number of members in both Houses and both sides of the aisle have developed their own proposals to help school districts recruit or hire additional teachers. The President's proposal is the only one that is specifically aimed at providing smaller classes in the early grades. We do note that Rep. Paxon has announced a proposal that would also hire 100,000 teachers. While there are important differences between the President's proposal and Mr. Paxon's (Paxon's is not focused on reducing class size, and it is funded by eliminating Goals 2000, Americorps, the NEA), we hope that Paxon's proposal indicates that this is an area in which we can achieve bipartisan cooperation.

4. Gov. Wilson in California has launched his own initiative to reduce class size. Does the President's duplicate California's effort?

No. First, the President is proposing to reduce class size to an average of 18, whereas California's objective is 20. So this initiative can help California go further. Second, participating states like California will need to maintain their own efforts, and not simply use federal funds to substitute for state dollars. Third, we've learned from the experience in California in designing our proposal-- school districts need qualified teachers, adequate space for smaller classes, and the time to plan for lowering class size. The President's proposal takes care of all of these requirements.

5. Gov. Gilmore in Virginia ran on a platform of hiring more teachers. Has the President stolen Gov. Gilmore's idea?

No. In 1983 when he was Governor of Arkansas, Bill Clinton reduced class size in kindergarten to 20 and in grades 1-3 to 23. He also instituted teacher training programs in reading, and teacher testing. This national initiative to reduce class size draws on the President's decades-long leadership and experience in education; not from recent initiatives of any governor.

6. Will the teachers unions oppose the President's call for competency tests for teachers?

We hope not. Teachers have as great an interest as anyone in making sure that new teachers are well prepared to teach, and the unions have expressed a strong commitment to making sure new teachers are prepared to teach well.

7. This is a massive new funding program. Is this an effort to "buy" the support of the education establishment for the President's testing program?

This program is a significant new investment in education, as are his School Modernization and Education Opportunity Zones initiatives. Together they reflect his deeply held view that education is his top priority, and must be the top priority for the nation. His budget reflects his priorities. They are part of an overall strategy to set very high standards and give students, teachers and schools the support they need to reach those standards.



Michael Cohen
03/05/98 07:36:23 AM

Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP
cc:
Subject: kerrey call...

FYI

----- Forwarded by Michael Cohen/OPD/EOP on 03/05/98 07:36 AM -----



Susan_Frost @ ed.gov (Susan Frost)
03/04/98 09:22:06 PM

Record Type: Record

To: Scott_Fleming @ ed.gov (Scott Fleming)
cc: Michael Cohen/OPD/EOP, Robert M. Shireman/OPD/EOP
Subject: kerrey call...

Just saw this on schedule..you probably know this but Joan Huffer mentioned today that Kerrey is all upset about a New Entitlement (class size) and the balanced budget. Daschle is trying to explain to his staff that class size is a capped mandatory program and therefore cannot escalate out of control. In fact it would have very set amounts for each of 7 years and that the funding path is necessary to ensure that teachers who are hired will be paid in the outyears.



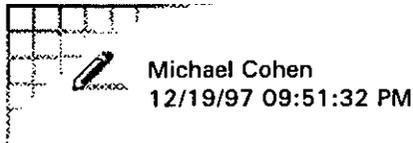
Michael Cohen
02/17/98 03:47:31 PM

Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP
cc: Michelle Crisci/WHO/EOP
Subject: ABC news story tonight on class size

ABC World News will be running a story tonight on our class size reduction initiative. It sounds like it will be positive overall, but (1) will also show that local educators are sceptical that the federal gov't will provide the money needed to pay for teacher salaries and for facilities/space (2) will report that the research is controversial, and that there are researchers who believe that reducing class size will be more expensive and less effective than just getting good teachers.

I am pushing Education for a report and research summary of the benefits of class size reduction. They have two in draft form now, and are trying to see how fast they can produce one that is ready for public distribution.



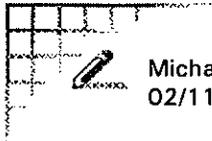
Record Type: Record

To: Bruce N. Reed/OPD/EOP
cc: Elena Kagan/OPD/EOP
Subject: Class Size



Attached is a (long) draft of the memo to POTUS we discussed, so he could be fully engaged in all the design issues. We never did catch up before the day ended, and I'm not sure if you still want this or if you will even see it before you head out for the holidays.

With respect to the budget for this initiative --the other hanging issue-- the only thing that really matters is that the last year of the initiative be at \$2.72 billion, (or \$3.4 billion if we can't require a match in tobacco world) -- in order to hire the 75,000 new teachers needed to reduce national average class size to 18. It looks like we can't do this in 5 years, but, based on our conversation, could easily get there in 7 (which I've proposed in the attachment). That's fine with me. For the first 5 years, you've laid out an odd and bumpy glide path (1.1, 1.3, 1.45, 1.65, 1.7) that is hard to rationalize in the context of the program design, but I don't think is harmful--as long as we get to the final number we need eventually.



Michael Cohen
02/11/98 12:34:05 PM

Record Type: Record

To: Bruce N. Reed/OPD/EOP
cc: Elena Kagan/OPD/EOP
Subject: Class size and tobacco

I presume that Conrad's bill should not stop us from proceeding with Kennedy to introduce a class size bill. Am I right?

If so, I presume we want a somewhat more detailed bill than Conrad's 2-page approach, that conforms more directly to the provisions (teacher testing, training, accountability, etc.) in our 2-pager. (although, Conrad's approach, which gives the Secretary room to develop the regulations he needs on all of our issues, is not a bad approach. We could do a lot worse than that.)

Finally, I need some guidance on how to handle the pay-for's in a separate Kennedy bill.

THE WHITE HOUSE
WASHINGTON

January 21, 1998

MEMORANDUM FOR THE PRESIDENT

**FROM: BRUCE REED
MIKE COHEN**

SUBJECT: Class Size Design Issues

Over the past several weeks, we have worked with the Vice President's Office, OMB, and the Education Department to develop recommendations on the design of your class size initiative. This memorandum explains our consensus recommendations and asks for a decision on the single issue on which we have not reached agreement -- whether to require basic skills testing for new teachers.

I. Background

The purpose of this initiative is to reduce class size and provide qualified teachers in the early grades, so that all 8 year olds learn to read. More specifically, this initiative will help bring down class size across the nation from an average of 22 to an average of 18 in grades 1-3. In designing the initiative, we have been guided by several considerations.

First, as you know, the best research suggests that the benefits of smaller classes accrue especially to the most disadvantaged students, and occur most powerfully when classes are no larger than 15-18 students. To be both credible and effective, the initiative must get the majority of classes into that range, especially in high-poverty schools. Second, California's recent experience demonstrates that programs to reduce class size lead to the hiring of unqualified teachers, particularly in urban areas, if safeguards are not built in. Third, efforts to reduce class size can exacerbate and be frustrated by shortages of space. Fourth, because this is a new area of federal involvement in education, the requirements placed on state and local grant recipients in order to ensure effective use of the funds must be especially well justified.

There are a number of other proposals to provide federal support to recruit or hire teachers, primarily to respond to the need to hire an estimated 2 million teachers over the next decade. Senator Kennedy proposes to help recruit 100,000 teachers per year over the next decade by forgiving up to \$8,000 in loans for each person who becomes a teacher. Rep. George Miller has also advanced a proposal to provide loan forgiveness for an-as-yet unspecified number of individuals who enter teaching.

In contrast to the Kennedy and Miller proposals, your proposal provides funds to hire teachers rather than forgive loans, since the primary cost of reducing class size is salaries for additional teachers. There is little evidence that loan forgiveness is an effective tool for attracting additional people into the profession. Moreover, you have already proposed a scholarship program (not loan forgiveness) to steer people who have decided to enter the profession toward high poverty schools.

Rep. Bill Paxon has also announced a proposal to help school districts hire 100,000 teachers, by funding teacher salaries. His proposal would pay for these new teachers by eliminating Goals 2000, Americorps, the National Endowment for the Arts, and a number of other programs. While these additional teachers could be used to lower class size, Paxon does not require that funds be used for this purpose. In addition, Senate Republicans announced an education package yesterday which they claim would fund 50,000 new teachers by block granting other programs.

We believe the existence of Republican proposals for the federal government to pay teacher salaries -- a proposal that both attaches conditions (under Paxon's plan, teachers hired with these funds could not be tenured) and requires states and local school districts to share the total cost of the initiative -- provides some protection for your proposal against charges of federal intrusion. It may also form the basis of a bipartisan achievement.

II. Funding Issues

Your budget will include \$12 billion over 7 years to hire 100,000 teachers, enough to reduce class size in grades 1-3 to an average of 18 nationwide. The table below shows the annual budget, number of teachers communities would hire each year, and the impact on class size.

Fiscal Year	Budget (in billions)	Number of Teachers Hired	Average Class Size in Grades 1-3
1998			21.9
1999	\$1.1	35,714	20.3
2000	\$1.3	42,208	20.1
2001	\$1.5	48,701	19.8
2002	\$1.7	55,195	19.6
2003	\$1.74	56,331	19.5
5 Year Total	\$7.34		
2004	\$2.3	82,143	18.6
2005	\$2.8	100,000	18.1
7 Year Total	\$12.4		

A. Distribution of Funds to States

We would distribute funds to states on the basis of the Title 1 formula, which is based on the number of students in the state, weighted by poverty and the cost of education. We also considered distributing the funds based on the number of new teachers needed to reduce class size to the target of 18, also weighted by poverty and cost. Although this formula is somewhat more efficient in targeting funds for the program purposes, it would penalize California because of that state's own class size reduction initiative. Further, while a handful of states receive either "windfalls" or "shortfalls" under the Title 1 formula when measured against the number of teachers they need to reach the class size target, most states receive a comparable percentage of the total funds under either formula.

With this formula, we will be able to reduce average class size in grades 1-3 to 18 nationwide. Once a state has reached an average of 18 in grades 1-3, it could use these funds to reduce class size in those grades still further, or to reduce class size in other grades.

B. Targeting Funds Within States

Though this proposal is universal in scope, we want to drive the funds to school districts with the largest class sizes, and to give priority to high-poverty districts. To accomplish this objective, we would require states to guarantee high-poverty school districts at least the same share of the state's class size funds that they receive of the state's Title 1 funds. States would allocate the remaining funds on the basis of class size within the state.

This approach ensures that major urban school districts and other high-poverty areas will receive their fair share of the funds, while still leaving states with the ability to target funds to school districts with large classes, regardless of their income levels.

C. Cost-Sharing Requirements

We would require matching funds from participating school districts on a sliding scale that would average 80% federal and 20% local. High-poverty school districts would be required to provide a 10% match, while the wealthiest would be required to provide a 50% match. School districts could use other federal funds for the match, which would primarily benefit high-poverty school districts that receive substantial amounts of Title 1 funds. This approach would encourage districts to use Title 1 funds for class size reductions, rather than continuing to hire classroom aides or resource teachers who pull Title 1 students out of the classroom.

D. Duration of Program

Because we will be presenting a five year budget, many will assume that we expect this initiative to end after five years. This expectation will heighten concerns that local school districts will be stuck with higher personnel costs once the program ends. (Rep. Paxon's proposal would end federal funding after 5 years.) We believe that the best way to deal with this concern is to make clear that we see this initiative as a continuing part of federal aid to education -- not a one-time effort.

This longer approach will also be necessary in order to fund 100,000 teachers; the funding levels in the first five years will pay for approximately 56,000 teachers. Because we are paying for this initiative through tobacco legislation, we will have a revenue source that can support a long-term program.

III. Teacher Quality

For reductions in class size to result in improved reading performance, we need to ensure that both newly hired and existing teachers are fully qualified, and have the knowledge and skills to teach reading effectively in small classes. Considerable research and recent experience in California demonstrate that many existing teachers need help to alter their teaching practices to capitalize on small classes. In addition, many school districts in California, particularly in high-poverty areas, have hired teachers on emergency certificates, who lack even basic preparation for teaching. We propose a number of steps to deal with these challenges.

A. 10% Set-Aside for Teacher Testing and Training: The overall budget for this initiative is based on the average cost of newly hired teachers (assuming that 75% are beginning teachers and 25% are experienced teachers returning to the classroom or moving between districts) plus a 10% increment in the first 5 years to address teacher quality issues. This increment will give every school district funds that can be used for a number of purposes, including (1) testing new teachers before they are hired and developing improved tests for teachers; (2) training existing teachers in effective reading instruction practices and/or in effective practices in small classes; (3) providing mentors or other support for newly hired teachers; (4) providing incentives to recruit teachers to high poverty schools; and (5) providing scholarships or other aid to paraprofessionals or undergraduates and to expand the pool of qualified teachers.

We will permit districts to carry over unspent funds, which will enable them to invest in the first couple of years in recruiting and training qualified teachers, before reducing class size on a large scale. In addition, we will require districts to develop an overall strategy for improving teacher quality including a plan to use other funds, such as those from Title 1, the Eisenhower Professional Development Program, America Reads, and Goals 2000.

B. Require Teachers to Meet State Certification Standards: We would require states and school districts to ensure that individuals hired to fill these new positions must be either fully certified or making satisfactory progress toward full certification. School districts could use the teacher quality funds to provide teachers with the additional training needed to meet certification requirements.

C. Encourage States to Adopt Rigorous Professional Tests and Upgrade Teacher Certification Requirements: As part of this initiative, we would allow states to use some of the teacher quality funds to make their teacher certification requirements more rigorous and performance-based, reflecting what beginning teachers must know and be able to do. There is widespread agreement that current teacher certification requirements are not a good indicator of teacher quality and need to be upgraded. The National Commission on Teaching and America's Future, chaired by Gov. Hunt, has recommended that states toughen their licensure requirements. The Commission recommended that prospective teachers be required to pass rigorous tests of subject matter expertise and professional knowledge before they start teaching, and that beginning teachers not be fully certified until they have taught for several years and can demonstrate that they have met rigorous standards of classroom teaching, through classroom observations and other forms of performance assessment.

Twenty states have already adopted performance-based standards along these lines. Sixteen states are working together to develop common assessments for beginning teachers, and additional states are likely to join this effort over time. Permitting states to use a portion of their funds to improve their licensure systems is likely to accelerate these trends and to improve the quality and preparation of people entering the profession. In addition, performance-based certification will make it easier to promote "alternate route" programs that do not require prospective teachers to attend teacher education programs.

D. Teacher Testing:

All of your advisors agree on the three steps outlined above. There is disagreement about one additional component -- requiring new teachers to pass state basic skills tests. All of your advisors feel strongly that the above measures are not sufficient to persuade the public that new teachers would be able to measure up in the classroom. Existing teacher certification requirements are generally not viewed as an effective means of ensuring quality, and the tougher standards and testing requirements we are encouraging states to adopt will not be implemented for some time. Many of your advisors believe that this initiative also should require states to use basic skills testing for new teachers, with the particular test selected by each state.

The argument for a teacher testing report is that it will give parents the confidence that new teachers in the elementary grades have basic reading and math skills. It also

builds on your landmark efforts on teacher testing in Arkansas. A tough, clear message on teacher competency would make it difficult for Republican opponents to paint this initiative as simply a way for the Administration to help teachers' unions expand their memberships. The Paxon proposal takes a "tough on teachers" approach by prohibiting the teachers hired from gaining tenure. The Senate Republican education package announced this week encourages states to test elementary and secondary teachers, and allows them to use federal funds for teacher testing (activities already permitted under Goals 2000). The proposal, however, does not make this testing mandatory.

Under this proposal states would give prospective teachers basic skills tests at some point before they enter the classroom. Approximately 40 states already have such a requirement in place.¹ States would retain the ability to let teachers who fail the test teach with an emergency certificate. We considered and rejected a stronger proposal, which would require all prospective teachers to pass a test before they could do any teaching. We decided, however, that such a requirement, might well have too great an impact on poor districts, which already have a hard time finding qualified teachers. It could also drive states to lower the passing score on the tests.

The Education Department opposes this proposal, and recommends that we limit ourselves to encouraging states to adopt tough new state tests of subject matter and professional knowledge for beginning teachers, as part of our effort to upgrade teacher certification requirements. Education would be willing to require states to implement these new tests by 2003.

You are quite familiar with the arguments against a teacher testing requirement. The Education Department argues that a basic skills test is no assurance of teacher quality, and sets the bar too low for teachers, undermining your long-standing push for higher standards for both students and teachers. The Education Department believes such a test will send the wrong message to the public about teachers, reinforcing the notion that academically weak people go into teaching. Education also points out that states will be able to get around a testing requirement by granting emergency licenses.

Finally, you should know that many in the civil rights community are likely to raise concerns that any new testing requirements, especially without proper validation, are likely to have disparate impacts on minorities.

_____ Require Teacher Testing in Basic Skills _____ No requirement _____ Discuss Further

¹ According to the most recent state-by-state data, the following states would have to institute basic skills testing for teachers under this proposal: Alaska, Georgia, Idaho, Iowa, Maryland, Missouri, New Jersey, New York, Utah, and Vermont.

IV. Facilities

The need to find additional classrooms to reduce class sizes will increase existing facilities needs. This impact will not be evenly distributed. Some areas, particularly cities with increasing immigrant populations (e.g., Los Angeles, South Florida) have schools that are already extremely over-crowded, while other cities, particularly in the Northeast (e.g., Baltimore, Washington, D.C.) have more capacity than the student population demands.

We propose several steps to address facilities issues, including (1) Use our \$10 billion school construction initiative to provide incentives for communities to invest in local school facilities; (2) Make facilities changes needed to reducing class size an allowable use of school construction funds; (3) Phase in implementation of the class size reduction proposal to allow for enhanced state/local facilities planning; and, (4) Allow districts that have no space available for additional classes to use some of their class size reduction funds to implement proven reading instruction practices.

V. Accountability

School districts receiving these funds will be held accountable both for using them to reduce class size, and for improving student performance in reading. We propose three forms of accountability.

First, a school district receiving these funds must show it is actually reducing class size, by reporting class size in grades 1-3 to parents and to the state each year. Second, as is the case with other federal education programs, we will incorporate a "maintenance of effort" provision, requiring states to keep up their overall investments in K-12 education. Third, we will use existing Title 1 accountability and reporting requirements to ensure that every school district and individual school makes measurable progress in improving reading achievement within three years. If a school fails to make adequate progress, it must develop and implement a corrective action plan. If the school fails to show improved reading achievement after implementing the corrective action plan, the state could withhold the equivalent of the school's share of the district's funds.

VI. Rollout

Over the next few days, we will begin more extensive discussions with possible allies on this initiative. So far, Congressional Democrats have been enthusiastic.