

CLASS-SIZE REDUCTION PROGRAM

GUIDANCE FOR FISCAL YEAR 2000



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OMB Clearance No.1810-0618
Expiration Date: March 31, 2003

CLASS-SIZE REDUCTION

PURPOSE OF THESE GUIDELINES

These guidelines contain information for State and local educational agencies (SEAs and LEAs) on:

- ❖ The purpose and implementation procedures of the Class-Size Reduction Program;
- ❖ State administration of the program; and
- ❖ How LEAs can use Class-Size Reduction Program funds to improve student achievement by recruiting, hiring, and training fully qualified classroom teachers to reduce class size in the early grades.

Authority for this program is contained in section 310 of the Department of Education Appropriations Act, 2000, as enacted by section 1000(a)(4) of Division B of P.L. 106-113.

The guidance in this document does not impose any requirements beyond those that the law specifies. Where possible, it encourages varying approaches and focuses on what *can* be done rather than what cannot. Any requirements referred to in this document are taken directly from the authorizing statute (section 310) or from other existing statutes or regulations whose requirements pertain to this program. U.S. Department of Education officials, including the Inspector General, will consider State and local recipients that follow these guidelines to be in compliance with the applicable Federal statutes and regulations.

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CLASS-SIZE REDUCTION

FY 2000 Guidance for State and Local Educational Agencies

Section A. INTRODUCTION

The Principles of Educational Reform

Since the publication of *A Nation at Risk* in 1983, concern about the quality of the Nation's public schools has stimulated an unprecedented interest in educational reform. At the Federal level, a focus on raising academic standards has been the driving force behind every elementary and secondary education initiative of the past decade. In 1993, President Clinton initiated a national campaign to support States in their efforts to ensure that all children learn to high standards, that there is a well-qualified teacher in every classroom, and that schools and districts are accountable for results. These principles were embodied in two major pieces of legislation that Congress passed in 1994: the *Goals 2000: Educate America Act*, and the *Improving America's Schools Act* which re-authorized the *Elementary and Secondary Education Act of 1965*.

The programs supported by these Federal statutes are now firmly centered on the premise that all students will become effective learners when we:

- ❖ Set high standards of learning that all children are expected to achieve.
- ❖ Assess students against those standards.
- ❖ Hold schools and school districts accountable for students making progress toward meeting State standards.
- ❖ Provide schools with the tools they need to help students meet the standards, including investments in high-quality professional development for teachers and technology for the classroom.
- ❖ Provide schools with the flexibility to determine how best to meet the needs of their students and prepare them to meet high standards.

In the last few years, the Administration and the Congress have begun to shift their attention beyond "what must be done" to a focus on "how it can best be done." New efforts such as the Class-Size Reduction Program, the Comprehensive School Reform Demonstration program, the Reading Excellence Act, and the 21st Century Community Learning Centers Program are providing resources to State educational agencies (SEAs), local educational agencies (LEAs), and schools committed to implementing research-tested and validated approaches to improving teaching and learning.

Class-Size Reduction as an Effective Educational Intervention

This initiative is grounded in current research demonstrating that, at least for the early grades, class size does indeed make a difference – something parents, teachers, and students have known intuitively for years.

The goal of the Class-Size Reduction Program is to help schools improve student achievement by reducing class size through the hiring of fully qualified teachers to ensure that class size – particularly in the early grades – is decreased to no more than 18 children per class. The Class-Size Reduction Program provides funds to school districts to recruit, hire and train fully qualified teachers who are assigned to primary-grade classrooms. The goal of this program is, over seven years, to hire 100,000 new teachers and reduce kindergarten through grade 3 classrooms across the country to an average of 18 children. Small classes are especially important in the early grades so that all children learn to read well, which will increase their ability to succeed in advanced subjects and later grades. Teachers in small classes can provide students with more individualized attention, spend more time on instruction, cover more material effectively, and provide students and parents with more detailed feedback on each child's progress.

A growing body of research indicates that students in smaller classes in kindergarten through grade 3 (K-3) earn significantly higher scores in basic skills tests. Though small classes provide an advantage to children in all types of schools, benefits appear to be greatest for lower-achieving, minority, poor, and inner-city children. Follow-up studies have shown that achievement gains are maintained long after students return to regular-size classes beyond the third grade.

While smaller classes are important, research also shows that teacher quality has a powerful impact on student learning. Further, because smaller classes present different teaching options, teachers who move from large to smaller classes may benefit from assistance in changing their teaching approach. That is why the Class-Size Reduction Program also includes a strong emphasis on hiring fully qualified teachers and providing them with professional development opportunities. This multi-dimensional emphasis on recruiting, training, and professional development, in concert with hiring new teachers, presents school districts with a rich opportunity to develop creative approaches to improving learning for children.

Research underway across the country provides convincing evidence that class-size reduction can directly improve student learning. For instance:

- **Smaller class size increases student achievement.** A March 1999 Education Department analysis of several research studies found that reducing class size from substantially above 20 students per class to below 20 students leads to gains in student achievement, with the performance of the average student moving from the 50th percentile to somewhere above the 60th percentile. In recent research studies, students from smaller classes in North Carolina, Wisconsin, Indiana, and Tennessee outperformed their peers in larger classes. Early findings from a large-scale class-size reduction effort in California indicate a modest achievement gain for third

graders. In a follow-up study in Tennessee, students from smaller classes continued to outperform their peers in all academic subjects even after returning to larger classes in the fourth grade. In 1997, Harold Weglinsky conducted an analysis of data on 10,000 fourth-graders in 203 school districts and 10,000 eighth-graders in 182 school districts across the United States and found that students in smaller classes performed better in fourth and eighth grade than comparable students in larger classes.

- **Smaller classes can help lay a strong foundation in basic skills for young children.** Smaller classes are especially important in the early grades, where attending school in a reduced class size can help all children learn to read well – increasing their ability to succeed in advanced subjects and later grades. Tennessee’s Student Teacher Achievement Ratio (STAR) Project found that students in smaller classes in grades K-3 earned significantly higher scores in basic skills tests in all four years and in all types of schools. Research on class-size reduction efforts in Wisconsin and North Carolina also found clear academic gains for students in smaller classes through the third grade. Follow-up studies from Project STAR have shown that achievement gains continued after the students returned to larger classes after third grade. Through high school graduation, a decreasing, but still significant, higher academic achievement level persists for the students from the smaller classes.
- **Smaller classes reduce discipline problems and increase instruction time for teachers.** When Burke County, North Carolina, reduced class size, the percentage of classroom time devoted to instruction increased from 80 percent to 86 percent, while the time devoted to non-instructional activities, such as discipline, decreased from 20 percent to 14 percent. Students from Tennessee’s STAR program worked harder and caused fewer discipline problems than students from larger classes – even after the STAR students returned to larger classrooms. The latest Wisconsin Student Achievement Guarantee in Education (SAGE) evaluation concluded that individualization is a dominant feature of SAGE classrooms that is made possible because having fewer students enables teachers to know students better, reduces the need for discipline, and results in more time for instruction.
- **Smaller classes have the greatest impact on disadvantaged and minority students.** The Weglinsky study of fourth- and eighth-graders nationally found the greatest impact of smaller classes on inner-city youth. Achievement data from class-size reduction studies in Tennessee, Texas, and Wisconsin all indicate that reducing class size is especially valuable for minority and disadvantaged students.
- **Smaller classes are most effective when implemented early and sequentially.** The research from Tennessee’s Project STAR indicates that the long-term benefits of smaller class sizes are greatest for students when they first attend school. For many students, this means having a smaller class size in kindergarten. Each subsequent year in a smaller class, at least through the third grade, further strengthens the benefits of the intervention.
- **The research base supporting smaller class sizes in the early grades is growing.** Additional studies are confirming and expanding on the finding that smaller classes

lead to increased student achievement. The number of States and local school districts with class-size reduction policies is increasing, and feedback from these initiatives will continue to provide more insight into how teachers can maximize the opportunities provided by smaller classes and overcome obstacles such as teacher recruitment and facility shortages. As such, the topic of class-size reduction continues to emerge in numerous publications. For more information on the research that supports class-size reduction, see the *Resources and References* listing at the end of this section.

The Class Size Reduction Program: Progress to Date

For fiscal year 1999, the first year of the initiative, Congress provided a down payment of \$1.2 billion for schools to hire new classroom teachers for the 1999-2000 school year. In appropriating funds for this program, Congress recognized the “impressive research studies” and pointed out that “[c]lass-size reduction can be particularly beneficial in [the] early grades because students in those grades are learning to read and to master the basics in math and other subjects.” Based on data from approximately half of the local school districts, the Department estimated that with the fiscal year 1999 funding, school districts were able to hire more than 29,000 new teachers. In the grades in the schools in which these teachers were hired, class sizes were reduced significantly – from an average of 23 to 18. Most of the teachers were placed in first grade, followed by second, third, and other grades. At the national level, approximately 8% of the funds were used for professional development activities. An estimated 1.7 million children benefited directly during the first year of the Class-Size Reduction Program.

For fiscal year 2000, Congress has slightly increased the funding for the Class-Size Reduction Program to \$1.3 billion. The funds will be made available in two installments: \$400 million will become available to States in July of 2000, and the remaining \$900 million will become available in October.

States must allocate 100 percent of the funds they receive to school districts to pay for salaries and provide other benefits for additional teachers to reduce class size in the early grades. Of their fiscal year 2000 allocations, school districts must use at least 72 percent for recruiting, hiring, and training new teachers. In addition, they may use no more than three percent for local administration and no more than 25 percent to pay the costs of such activities as professional development and testing of teachers for academic content knowledge and to meet State certification requirements.

What’s New in FY 2000

Under the FY 2000 legislation (starting with school year 2000-2001):

- The scope of the “early grades” was increased and now includes kindergarten through grade three (see *F-1, F-15*). The FY 1999 legislation did not include kindergarten.
- The percentage of funds available to school districts for professional development activities increased from 15% to 25% (see *F-2*).

- Districts that receive an allocation smaller than the starting salary of a new, fully qualified teacher in the district are no longer required to form a consortium (see *F-2*).
- The teacher qualification requirements were strengthened. All teachers hired under the Class-Size Reduction Program must be fully certified to teach the grades and/or subjects to which they are assigned (see *F-11, G-6*).
- For those school districts where a State or local class-size reduction goal of 20 or fewer was in place prior to enactment of the FY 2000 Class-Size Reduction statute (i.e., before November 29, 1999), the State or local goal may be substituted for the target of 18 (see *F-4*).
- Districts in Ed-Flex States where 10 percent or more of the teachers have not met State or local certification requirements can apply for a waiver to use more than 25 percent of Class-Size Reduction funds on professional development activities. (see *G-2*).
- There are new public reporting requirements for States, participating school districts and schools (see *H-1, H-2, H-3*).

Integration with Other Programs

To be most effective, the Class-Size Reduction Program should work hand-in-hand with other Federal, State, and local programs that have related purposes. Several States, for example, have recently instituted their own class-size reduction initiatives. In those States, school districts must use their Class-Size Reduction Program funds to supplement (and not replace) funds they receive from those State initiatives, so that they can implement greater class-size reductions or provide more enhanced professional development opportunities than they would have been able to accomplish under either the State or Federal initiative alone. School districts should also coordinate their Class-Size Reduction activities with those of several related Federal programs, including:

- **Title I of the ESEA**, which provides supplemental education funding to significantly raise the academic achievement of disadvantaged children and youth.
- **The Eisenhower Professional Development Program**, which provides assistance for training teachers in effective practices of reading, mathematics, and science instruction.
- **The Reading Excellence Act (REA)**, which supports activities that will provide children with the readiness skills and support they need in early childhood to learn to read once they enter school; teach every child to read by the end of the third grade; and use research-based methods to improve the instructional practices of teachers and other staff.
- **The Individuals with Disabilities Education Act (IDEA)**, which provides many opportunities to coordinate efforts to serve children who have special needs. The

Class-Size Reduction Program can reduce class size for special-needs children and provide training for regular classroom teachers who teach children with disabilities and special needs.

- **Title II of the Higher Education Act (HEA)**, which provides funds, on a competitive basis, to help States and partnerships between local school districts and institutions of higher education recruit and better prepare talented people for careers in teaching.
- **Title IV of the HEA**, which provides a loan forgiveness program (up to \$5,000) for new student loan borrowers on or after October 1, 1998, who serve as teachers in designated low-income schools for five years.

School districts and schools that participate in these programs are encouraged to pursue a coordinated strategy to strengthen instruction in reading and other subjects in the early grades and help all students reach challenging standards – by creating smaller classes, staffing them with well-prepared teachers, and providing extra help for those who need it.

Flexibility

These guidelines emphasize that Class-Size Reduction Program funds are intended to support the basic purpose of reducing class size in grades kindergarten through three with fully qualified teachers. However, the Department of Education recognizes that school districts and schools must have flexibility to resolve complicated issues of teacher availability, limited classroom and building space, certification requirements, ongoing State initiatives, collective bargaining agreements, and other issues that vary from locality to locality. Therefore, the guidelines also point out opportunities for school districts to be as inventive as possible in pursuing options and alternative approaches in such areas as recruitment, class-size reduction, and professional development. In addition, while the statute contains certain requirements, SEAs and LEAs may apply for waivers of some of these requirements, as explained in ***Section G -- Flexibility to Meet Local Needs***.

Future Support

Although the Administration's original proposal for class-size reduction was for a continuing program that would reach \$12.4 billion over seven years and then continue to provide funds, Congress has enacted legislation and appropriated funds for only the first two years. The Administration recognizes that funding for this program beyond two years will require additional Congressional action. The Administration's Fiscal Year 2001 budget requests \$1.75 billion from Congress to continue and expand this program – enough funds to enable local communities to continue to pay for teachers hired in the first two years and hire additional teachers to further reduce class size. In addition, the Administration sent Congress legislation seeking full, long-term authorization for this program, and will work closely with Members of Congress to secure its enactment.

Additional Resources and References

More information on the Federal Class-Size Reduction Program, and on the research that supports class-size reduction, is available from the sources listed below:

- Web page for the **U.S. Department of Education Class-Size Reduction Program**: www.ed.gov/offices/OESE/ClassSize/
- Web page for the **Student/Teacher Achievement Ratio** (Project STAR), the scientifically rigorous class-size reduction study in Tennessee:
- Web page for the **CSR Research Consortium**, a partnership researching California's Class-Size Reduction Program: www.classsize.org/
- Web page for the evaluation of the **Student Achievement Guarantee in Education** (SAGE), Wisconsin's class-size reduction program: www.dpi.state.wi.us/dpi/oea/sage/index.html
- Web page for the **WestEd Regional Educational Laboratory**: www.wested.org/cs/we/print/docs/we/home.htm
- **Educational Evaluation and Policy Analysis** SPECIAL ISSUE - Class Size: Issues and New Findings, volume 21, No. 2 (Summer, 1999). Washington, DC: American Educational Research Association (AERA). Abstracts available at: www.aera.net/pubs/eepa/abs/eepa21.htm

Section B. DEFINITIONS

Among the terms used in the authorizing statute, the following may need clarification. For the purposes of this Guidance, the Department will use the definitions below.

Class size -- The Department of Education will apply the principles below in interpreting the term "class size."

- The class size in a school may be determined by either the *average number* of students per regular class during the regular school day in each grade level in the school or the *maximum number* of children per regular class during the regular school day in each grade, whichever is consistent with State or local policy or practice.
- Only classroom teachers responsible for a child's primary classroom instruction (i.e., where the core curriculum is taught) should be counted in determining class size.
- Pupil/teacher ratios, which typically include teacher aides, art, music or physical education teachers, support personnel, or specialists such as counselors or librarians cannot be used in determining class size.

- If an LEA is calculating an average class size, it should include any special education students who are integrated into regular classrooms. It should not count special education students who are not integrated into the regular classroom in calculations of regular class-size averages.
- States and school districts should follow State or local specifications of when and how to count the number of children per class.

Early elementary grades -- For the purposes of this program, “early elementary grades” means grades kindergarten through three.

Teacher -- For the purposes of this program, “teacher”:

- Includes teachers of regular classrooms, special education teachers, and teachers of children with special needs, such as those with disabilities or limited English proficiency.
- Does not include administrative or support personnel or teacher aides or paraprofessionals.
- Does not include guidance counselors, librarians, or other school professionals who do not provide direct classroom instruction in the core curriculum.

Fully qualified teacher -- For the purposes of this program, “fully qualified teacher” means a classroom teacher who:

- Is certified within the State to teach the grade level and/or subject to which she or he is assigned;
- Has a baccalaureate degree; and
- Demonstrates the general knowledge, teaching skills, and subject matter knowledge required to teach in his or her content areas.

Section C. RELATIONSHIP TO TITLE VI OF THE ESEA

For fiscal years 1999 and 2000, Congress included the Class-Size Reduction funds in the appropriation for Title VI of the ESEA and stated that the Class-Size Reduction Program funds are available “to carry out Title VI. . .in accordance with [the Class-Size Reduction statute]. . . .”

C-1 How does the Title VI statute apply to the Class-Size Reduction Program?

Although the Class-Size Reduction Program has a separate implementation statute, Congress intended the Class-Size Reduction Program, at least as enacted for fiscal years

1999 and 2000, to be part of Title VI of the ESEA. Therefore, *except where it is inconsistent with specific provisions of the Class-Size Reduction statute*, the Title VI statute applies to the Class-Size Reduction Program with the following implications:

- **Allocations to LEAs** – States must allocate 100 percent of the Class-Size Reduction funds that they receive to LEAs in accordance with the formula provided in the Class-Size Reduction statute. They may not use their Title VI formula or the Title VI formula criteria to make LEA allocations. (See *Section D -- Distribution of Funds.*)
- **State Administration** – An SEA may use funds reserved for State administration under section 6201 of Title VI to administer the Class-Size Reduction Program. (See *Section D -- Distribution of Funds.*)
- **LEA Applications** – As provided in section 310(g) of the Class-Size Reduction statute, LEAs apply to States for funding through their Title VI applications, providing a description of their plan to reduce class size by hiring additional fully qualified teachers. (See *Section E -- Applying for Funds.*)
- **Maintenance of Effort** – The maintenance of effort requirement in section 6401(a) of Title VI applies to the Class-Size Reduction Program. (See *Section F -- LEA Uses of Funds.*)
- **Supplement, Not Supplant** – There is a non-supplanting provision in section 310(c)(3) of the Class-Size Reduction statute. It is narrower than the non-supplanting provision in section 6401(b) of Title VI, in that it applies only to LEAs and prohibits the use of Class-Size Reduction funds to replace State or local funds that would otherwise be spent for activities allowable under the Class-Size Reduction Program. SEAs remain subject to the Title VI non-supplanting provision, as do LEAs, with respect to other Title VI funds. (See *Section F -- LEA Uses of Funds.*)
- **Equitable Participation of Private School Teachers** – As provided in section 310(e) of the Class-Size Reduction statute, the equitable participation requirement in section 6402 of Title VI applies only to professional development activities undertaken with Class-Size Reduction Program funds. (See *Section F -- LEA Uses of Funds.*)
- **Biennial Report** – Under section 310(d)(1) of the Class-Size Reduction statute, States will report on activities under the program as part of the Title VI biennial report described in section 6202(a)(2)(A) of Title VI. (See *Section H -- Accountability.*)
- **Title XIV** – Because the Class-Size Reduction Program is part of Title VI, Title XIV of the ESEA applies to the program. This includes, among other things, the Title XIV waiver authority. (See *Section G -- Flexibility to Meet Local Needs.*)
- **Ed-Flex** – Because Title VI is subject to the Ed-Flex waiver authority, the Class-Size Reduction Program also is subject to this authority. (See *Section G -- Flexibility to Meet Local Needs.*)

Section D. DISTRIBUTION OF FUNDS

Under this program, funds will be distributed to States and school districts taking into account poverty, school-age population, and enrollment. Many of the provisions governing distribution of funds at both levels are consistent with legislation for programs that States and LEAs are already administering.

D-1 How will the funds be distributed to States?

The Department of Education will distribute 100 percent of the funding for this initiative (\$1.3 billion) directly to the 50 States, the District of Columbia, Puerto Rico, the Bureau of Indian Affairs, and the Outlying Areas. Each State will receive the same proportion of the funds available for State grants for FY 2000 as it received of FY 1999 funds; the BIA and the Outlying Areas will receive the same amount as in FY 1999. *An estimated FY 2000 State allocation table is attached.*

D-2 May States retain any Class-Size Reduction funds for administrative costs?

No, States must allocate all of their funds to local school districts. They may, however, use funds appropriated for Title VI and reserved for State administration costs to help pay for administrative costs associated with this program.

D-3 How will funds be distributed to local school districts?

States will allocate 100 percent of the funds they receive to eligible LEAs. Within each State, the funds distributed to school districts will be based on poverty (80 percent) and school enrollment (20 percent). See example below:

Sample Calculation for Class-Size Reduction Allocations to LEAs

If State X is awarded **\$100 million**:

\$80 million (80% of \$100 million) must be distributed based on poverty data

\$20 million (20% of \$100 million) must be distributed based on enrollment data

If:

LEA Y's Number of Children in Poverty

State's Number of Children in Poverty = 2%

LEA Y would receive:

.02 x \$80 million = **\$1.6 million**

LEA Y's Total Enrollment

State's Total Enrollment = 5%

.05 x \$20 million = **\$1.0 million**

Total for LEA Y=\$2.6 million

D-4 How will the poverty rate of school districts be determined?

States will distribute 80 percent of the Class-Size Reduction funds to school districts in proportion to the district's share of children, ages 5 to 17, from families with incomes below the poverty line (as defined by the Office of Management and Budget and revised annually in accordance with section 673(2) of the Community Services Block Grant Act) applicable to a family of the size involved for the most recent fiscal year for which satisfactory data are available. This is the same poverty definition that the Department has used in determining Title I county allocations. Further, the Census Bureau uses this definition in calculating the decennial "census mapping" data provided to States by the Department of Education and used by many States to calculate their Title I within-county allocations.

The Census Bureau has developed a model for updating LEA poverty data to 1995 and, using that model, has produced updated LEA-level estimates. Pursuant to the Title I statute, the National Academy of Sciences reviewed the new data and model for validity and appropriateness, and has now recommended that the Department use them for Title I allocations beginning with the 1999-2000 school year. Therefore, the Department of Education will use the updated data to make Title I allocations directly to LEAs rather than to counties as has been done in the past. The Department is providing these data to all States for use in making within-State allocations for Title I and Class-Size Reduction.

D-5 If a State does not use the "census mapping" data in determining Title I allocations, but instead uses some other means (e.g., school lunch data) for Title I, may it use the same method for determining Class-Size Reduction allocations?

No. Title I explicitly allows the use of alternative data for determining poverty among children in the LEA because there may be data that are more current. The Class-Size Reduction statute does not.

D-6 If there have been boundary changes for LEAs within a State since the 1990 Census, does a State have the option of adjusting census data for those changes?

Yes, States may make adjustments to take into account changes in LEA boundaries and definitions, including the creation of charter school LEAs. States may request assistance from the Department in making these adjustments.

D-7 How will the 20 percent portion (based on school enrollment) of the LEA allocations be determined?

These funds will be distributed by each State to participating LEAs based on each LEA's relative share of children, ages 5 to 17, who were enrolled in the previous year in public and private nonprofit elementary and secondary schools within the boundaries of the LEA. For fiscal year 2000, States should use 1999-2000 enrollment data.

D-8 What data source will be used to determine public and private school enrollment for each LEA?

Each State should choose the best available source of data for determining school enrollment within the State. One source would be the set of enrollment data the State reported in the fall to the Department of Education's National Center for Education Statistics for use in the Common Core of Data Survey.

D-9 What happens to funds reserved for LEAs that do not wish to participate?

In order to make sound hiring decisions, LEAs must know as soon as possible what their share of the funds will be. Therefore, each State is encouraged to: (1) notify all LEAs in the State of the amount to which they would be entitled should they all choose to participate, and (2) set a deadline well in advance of July 1 of each year for LEA applications. If necessary, when the deadline has passed, the State can recompute the amounts that will go to participating LEAs. In making these computations and notifications, the State should keep in mind its obligations to charter schools, as noted below.

D-10 Is an LEA that does not serve kindergarten through grade three eligible for funding under this program?

LEAs that do not serve kindergarten through grade three are eligible to apply for funding under this program. In their applications for funding, these LEAs will need to specify the grade(s) and/or subject(s) for which they propose to use these funds to reduce class size. When they have achieved the class-size reduction goals specified in their applications, they may use Class-Size Reduction funds to further reduce class size in those same grades, reduce class size in other grades, or conduct activities to improve teacher quality.

D-11 What provision must States make for charter schools?

A charter school must be included in calculations for the State distribution of funds if the charter school is an LEA. In addition, the "Charter School Expansion Act of 1998" requires States to take "such measures . . . as are necessary to ensure that every charter school receives the Federal funding for which the charter school is eligible [under Federal-to-State formula grant programs] not later than 5 months after the charter school first opens" This requirement applies "notwithstanding the fact that the identity and characteristics of the students enrolling in that charter school are not fully and completely determined until that charter school actually opens." See 20 U.S.C. 8065a. States must also ensure that charter schools that expand enrollment during subsequent years receive the Federal-to-State formula funding for which they are eligible within five months of such expansion.

The Department has issued final regulations to assist States in implementing these requirements. Generally, for elementary or secondary education formula grant programs, including the Class-Size Reduction Program, States and LEAs must implement procedures to ensure that each charter school LEA opening for the first time or

significantly expanding its enrollment on or before November 1 of an academic year receives the proportionate amount of funds for which it is eligible within five months of the date the charter school LEA opens or significantly expands its enrollment. For a charter school LEA opening or significantly expanding enrollment after November 1 but before February 1 of an academic year, States and LEAs must implement procedures to ensure that the charter school LEA receives at least a *pro rata* portion of the proportionate amount of funds for which it is eligible on or before the date the SEA or LEA makes allocations to other LEAs and public schools under the applicable program for the succeeding academic year. Finally, for a charter school LEA opening or significantly expanding its enrollment on or after February 1, States and LEAs may, but are not required to, implement procedures to provide the charter school LEA with a *pro rata* portion of the proportionate amount of funds for which it is eligible. See 34 C.F.R. 76.785-76.799, 64 Fed. Reg. 71964-71972 for the complete text of the regulations. The Department will be issuing additional guidance on this requirement in the near future.

Section E. APPLYING FOR FUNDS

As under the first year of the program, the Department of Education is making the State application process as simple as possible. Local applications will need to include somewhat more information for the States, but can be relatively simple as well.

E-1 When is the money available?

Funds will be made available to States in two installments, \$400 million on July 3, 2000, and \$900 million on October 2, 2000. States may obligate funds to LEAs beginning on those days, and the funds remain available for obligation by LEAs until September 30, 2002. In the case of teachers hired with Class-Size Reduction funds as employees of the LEA, obligation occurs when the teachers perform their teaching services. For services to be performed by a contractor who is not an employee of the LEA, e.g., recruitment, evaluation, or certain professional development services, obligation occurs when the LEA enters into a contract to obtain the services.

E-2 How does a State apply for funds?

The Department will send each State the forms necessary for applying.

E-3 How does an LEA apply for funds?

LEAs will request Class-Size Reduction funds as part of their Title VI applications to the State. (See section 6303 of the ESEA.) Most States require LEAs to submit Title VI applications annually. However, if an LEA's Title VI application is not due in the spring of 2000, the LEA should submit its Class-Size Reduction application as an addendum to its Title VI plan already on file with the SEA.

E-4 What information must be included in an LEA application?

In applying for funds, an LEA must include a description of its program to reduce class size by hiring additional fully qualified teachers. In obtaining this information, the State is encouraged to ask the LEA for such data as:

- A description of how the LEA measures class size for each grade level:
 - ❖ Average (total number of students in the grade divided by the number of regular classes for that grade), OR
 - ❖ Maximum (the greatest number of students in any regular class serving that grade).
- The amount that will be spent for:
 - ❖ Teacher salaries.
 - ❖ Recruitment and training costs for new, certified regular and special education teachers and teachers of special needs children, in grades kindergarten through three (or in other grades or subjects for LEAs that do not serve grades kindergarten through three), including teachers certified through State and local alternative routes.
 - ❖ If applicable, such other expenses as testing new teachers for academic content knowledge, testing new teachers to meet certification requirements, or providing professional development to teachers.
 - ❖ LEA administrative costs.
- The number of teachers the LEA plans to hire or retain for the school year 2000-2001 with the funds it receives from the Class-Size Reduction Program, and of those teachers:
 - ❖ The grades they will teach.
 - ❖ How many of the new teachers will be “regular” classroom teachers.
 - ❖ How many will be continuing teachers hired under the first year of the program .
 - ❖ How many of the new teachers will be special education classroom teachers.
 - ❖ How many of the new teachers will fall into some other category.
- The current size of regular classes in grades kindergarten through three.
- The current size of regular classes in grades four through twelve, if the LEA intends to hire teachers in those grades.
- The amount of a new, fully qualified teacher’s starting salary in the LEA.

- How the school or LEA will ensure that any new teachers hired with these funds are fully qualified and certified to teach in the classrooms to which they will be assigned, including a description of any professional development activities planned and, if appropriate, how these activities will be coordinated with activities funded under Title II of the Higher Education Act.
- How class size will change in grades kindergarten through three (or in other grades or subjects, if class size in grades kindergarten through three has already been reduced to 18 with fully qualified teachers or the LEA does not serve grades kindergarten through three) as a result of these funds.
- If the LEA has already reduced class size in grades kindergarten through three (or in other grades or subjects for LEAs that do not serve grades kindergarten through three) to 18 or fewer children, but some of its teachers for those grades are not fully qualified to teach in the classrooms to which they are assigned, a description of the specific activities or programs the LEA plans that will ensure that all teachers in those grades will become fully qualified within the shortest possible time period.
- If class size for grades kindergarten through three (or in other grades or subjects for LEAs that do not serve grades kindergarten through three) in all the schools of the LEA is already at 18 or below with fully qualified teachers, documentation of this fact and a description of how the LEA will use the funds to:
 - ❖ Make further class-size reductions in grades kindergarten through three (or in other grades or subjects for LEAs that do not serve grades kindergarten through three);
 - ❖ Reduce class size in other grades; or
 - ❖ Carry out activities to improve teacher quality, including professional development.
- The LEA's plan for producing an annual report to parents on its progress in reducing class size; increasing the percentage of classes in core academic areas taught by fully qualified teachers who are certified within the State and demonstrate competency in the content areas in which they teach; and on the impact that hiring additional highly qualified teachers and reducing class size, has had on increasing student academic achievement.
- An assurance that the LEA will use its Class-Size Reduction funds only to supplement, and not to supplant, State and local funds that, in the absence of those funds, would otherwise be spent for activities authorized by the Class-Size Reduction Program.
- An assurance that the LEA will ensure the equitable participation of private, nonprofit elementary and secondary school personnel in any professional development

activities if it makes such activities available to public school personnel with these funds.

- A request for waivers of any State or Federal requirements that the LEA believes are necessary to carry out its class-size reduction plan.

Section F. LEA USES OF FUNDS

Within the primary goal of reducing class size by hiring additional, fully qualified teachers for the early grades, LEAs have flexibility in determining how to use these funds to best meet their local needs.

F-1 What is the primary goal for an LEA receiving Class-Size Reduction funds?

For most LEAs, the first order of business will be to develop an approach to improving educational achievement for both regular and special-needs children that includes hiring fully qualified teachers and reducing the size of regular classrooms in the early grades to an average or maximum of no more than 18.

F-2 What activities are LEAs authorized to carry out?

First, the LEA may reserve *no more than three percent* of the funds for administrative costs.

Then:

If schools in an LEA have a class size in grades kindergarten through three (or in other grades or subjects for LEAs that do not serve grades kindergarten through three) that is higher than 18 children:

- The LEA must use a *minimum of 72 percent* of the funds it receives to recruit, hire (including payment of salaries and benefits), and train fully qualified classroom teachers in order to reduce the class size for those grades.
- The LEA may use a *maximum of 25 percent* of the funds for:
 - ❖ The costs of testing new teachers for academic content knowledge and to meet State certification requirements that are consistent with Title II of the Higher Education Act of 1965 (See F-7 below for further information on Title II); and
 - ❖ Providing professional development to teachers, consistent with Title II of the Higher Education Act of 1965 (See F-7 below for further information on Title II).

If the LEA has already reduced class size in grades kindergarten through three (or in other grades or subjects for LEAs that do not serve grades kindergarten through three) to 18 or fewer children with fully qualified teachers, it may use the funds to:

- Make further class-size reductions in grades kindergarten through three (or in other grades or subjects for LEAs that do not serve grades kindergarten through three);
- Reduce class size in other grades; or
- Carry out activities to improve teacher quality, including professional development.

If the LEA has already reduced class size in grades kindergarten through three (or in other grades or subjects for LEAs that do not serve grades kindergarten through three) to 18 or fewer children, but some of its teachers for those grades are not certified to teach in the classrooms to which they are assigned, the LEA must first develop and implement a plan with specific activities or programs that will ensure that all teachers in those grades will become fully certified within the shortest possible time period. After determining the amount of Class-Size Reduction funds it will need to support these efforts, the LEA may use any remaining funds to:

- Make further class-size reductions in grades kindergarten through three (or in other grades or subjects for LEAs that do not serve grades kindergarten through three);
- Reduce class size in other grades; or
- Carry out activities to improve teacher quality, including professional development.

Note: In school districts where a State or local class-size reduction goal of 20 or fewer was in place prior to enactment of the FY 2000 Class-Size Reduction statute (i.e., before November 29, 1999), the State or local goal may be substituted for the target of 18 (see F-4).

F-3 May an LEA use funds to purchase classroom materials?

An LEA may not use funds for classroom facilities or to provide classroom equipment such as chairs and computers.

F-4 May an LEA use the State or local class size goal instead of the target of 18 students per class?

If a State or local class-size reduction goal was in effect prior to the enactment of the FY 2000 Class-Size Reduction statute (i.e., before November 29, 1999), an LEA may substitute that class-size reduction goal instead of the statutory goal of 18, as long as the State or local goal is 20 or fewer children per class. The definition of class size under the State or local goal must be consistent with the definition of class size in Section C of this guidance.

F-5 How does a small LEA reduce class size if it receives a relatively small allocation?

LEAs that receive an allocation smaller than that of the starting salary of a new, fully qualified teacher in the district have two options. They may use their allocation either to:

- Help pay the salary of a full- or part-time certified teacher hired to reduce class size, which may be in combination with other Federal, State, or local funds; or
- Carry out activities to improve teacher quality, including professional development.

F-6 How does a State or district determine a new teacher’s starting salary?

In making this determination, the State and LEA should use the lowest salary paid to a new, fully qualified, certified teacher for regular classes in grades kindergarten through three.

F-7 How does an LEA provide professional development activities consistent with Title II of the Higher Education Act (HEA)?

Sections 310(c)(2)(A)(ii) and (iii) of the Class-Size Reduction statute authorize LEAs to use program funds (1) to test new teachers for content knowledge and to meet state certification requirements that are consistent with Title II of the HEA, and (2) to provide professional development consistent with Title II of the HEA. Title II of the HEA provides, to States that win competitive grants, funding for such activities as reforming teacher certification or licensure requirements and providing professional development for teachers. LEAs that participate in HEA Title II programs can coordinate with these activities in numerous ways – by, for example, coordinating funds or conducting joint activities under the Class-Size Reduction Program and Title II. Examples of such activities include:

- Helping teachers learn new skills that will enable them to take advantage of new options for instructional techniques that become available when class size is reduced.
- Preparing teachers to work with diverse student populations, including students with disabilities and limited English proficiency.
- Preparing teachers to work with parents in determining how best to help their children learn to high standards.
- Developing programs that can be used as recruitment incentives to attract fully qualified teachers to high-poverty schools.
- In a coordinated effort with the Reading Excellence Act (REA) program, helping teachers acquire the knowledge and skills necessary for effective reading instruction in the early grades.
- Providing high-quality preservice clinical experience for student teachers who agree to teach in the LEA’s schools after they earn their teaching credentials.
- Providing a mentoring program involving new and veteran teachers that involves interaction with faculty at nearby institutions of higher education.

More information regarding Title II of the HEA can be found at <http://www.ed.gov/offices/OPE/heatqp/>.

F-8 What other guidelines should LEAs follow in designing professional development programs?

The mission of a good professional development program is to prepare and support educators to help all students achieve to high standards of learning and development. The Department of Education has developed a series of principles for high-quality professional development, which it encourages all LEAs to adopt. (See <http://www.ed.gov/G2K/bridge.html>.) The Department also encourages LEAs to learn about the schools and districts that have earned recognition for their exemplary professional development through the Department's National Awards Program for Model Professional Development. Information about these award recipients may be found at <http://www.ed.gov/inits/TeachersWeb/>.

F-9 May an LEA use funds for materials needed for staff development and new teacher training?

Yes, materials for staff development and teacher training may be purchased with these funds, provided that the cost of these items is reasonable and necessary to the training program.

F-10 In determining whether an LEA has “already reduced class size in the early grades to 18”, is 18 students the absolute limit for each class or the average for schools in the LEA?

Generally, each State or LEA may make this determination, consistent with its definition or interpretation of “class size”. (See, however, definition of “class size” under ***Section B -- Definitions*** in this document.) Class size may be determined for each school in the LEA by the average number of students per regular class for each grade level in the school or by the maximum number of children per regular class in each grade. It should *not* be determined by the average for the LEA as a whole.

F-11 The legislation says that newly hired teachers must be certified “including teachers certified through State and local alternative routes.” Who will determine which of these “alternative routes” are acceptable?

Requirements for teacher certification are set by each State for the teachers in that State. Many States have allowed for alternative certification programs that enable individuals to take non-traditional paths to full certification. Teachers that have completed such a program can be hired with Class-Size Reduction funds so long as they have attained State certification and demonstrate the general knowledge, teaching skills, and subject matter knowledge required to teach in their content areas.

F-12 Which teachers can be tested with Class-Size Reduction funds?

The statute permits LEAs to use Class-Size Reduction funds for the costs of “testing new teachers for academic content knowledge and to meet State certification requirements.” Tests should be administered consistent with State or local requirements. Depending on these requirements, the testing could involve prospective teachers who have just finished their academic work or those who have just moved into the State and, under State law, must pass a test before teaching in the State.

F-13 Should an LEA spread its Class-Size Reduction funds to as many schools as possible?

No, an LEA is not required to spread these funds to all its schools. Instead, LEAs might find that the best results come from targeting the funds to the poorest schools, the lowest performing schools, or to the schools with the largest classes. As indicated in the “Research” section, the benefits of class-size reduction are greatest for disadvantaged and minority students, and the intervention seems to be most effective when implemented in the child’s first school year.

F-14 May an LEA use funds to reduce class size in one of the grades K-3 to a number substantially below 18 (e.g., 10 or 12) while the class size in the other K-3 grades remains well over 18?

Under the Class-Size Reduction Program, LEAs do have the flexibility to sharply reduce class size below 18 in one of grades K-3 while the class size in other early grades remains well over 18. However, no research evidence to date suggests that, for instance, exposing a student to a class size of 12 in kindergarten followed by first through third grade class sizes of over 18 will result in the same increased achievement effect for that student as a class size of 18 or fewer over all four years.

Class-size reduction research indicates that students attending a class of 18 or fewer students for multiple, sequential years in the early grades will demonstrate increased student achievement. Based on this research, the Department strongly recommends that LEAs focus on making sequential reductions of class size in grades kindergarten through three to 18 or fewer students, instead of making substantial reductions below 18 in one grade (see the “Class-Size Reduction as an Effective Educational Intervention” section).

F-15 May an LEA use funds to extend half-day kindergarten programs into full-day?

Funds may be used to reduce class size in both existing half-day and full-day kindergarten programs. However, increasing the number of hours that half-day kindergarten students are in school generally does not result in a reduction in class size. Therefore, funds cannot be used to extend existing half-day kindergarten classes into full-day programs.

F-16 May an LEA use Class-Size Reduction funds to reduce the size of classes for special education or special needs children?

If the size of special education classes in the early elementary grades is higher than the target level of 18, the LEA may, of course, use these funds to reduce the size of those classes. If the LEA wishes to reduce special education classes to *fewer* than 18 children, it may do so once its regular classes in grades kindergarten through three have reached that goal.

Many children with special needs now receive their schooling primarily in mainstream classrooms. LEAs may also use these funds to pay professional development costs for regular classroom teachers to help them better serve children with disabilities and other special needs. LEAs may also use these funds to hire special education teachers to team teach with regular teachers in classrooms that contain both special education and regular students.

F-17 May LEAs use funds for administrative expenses?

Yes, LEAs may use up to three percent of their funds for local administrative costs. These costs may include expenses associated with the annual report that LEAs must issue under this program. (See *Section H -- Accountability*.)

F-18 May LEAs use funds to pay any part of the salaries or benefits for teachers who are already employed?

- These funds are primarily intended to bring additional fully qualified teachers into a school district. No funds may be used to increase the salaries or provide benefits to teachers who were not hired under the Class-Size Reduction Program, other than participation in professional development and enrichment programs. In some instances, however, teachers hired under the program to reduce class size might include veteran teachers already employed by the LEA.
- With respect to participation in professional development and enrichment programs, Class-Size Reduction funds may be used to pay stipends to teachers who are attending professional development programs during non-duty hours. Although no stipends may be provided for attending professional development during regular duty hours, Class-Size Reduction funds may be used to pay for a substitute teacher during such times. The 25 percent cap on professional development expenditures applies to the use of funds for stipends. Also, LEAs must not violate the non-supplanting provision in section 310(c)(3) by using funds to pay stipends. Thus, if an LEA would not otherwise have paid a stipend but for the availability of the Class-Size Reduction funds, it may use the Class-Size Reduction funds for this purpose.
- Teachers hired with FY 1999 funds for the 1999-2000 school year may continue to be paid with the FY 2000 funds, provided that those teachers are certified by the beginning of the 2000-2001 school year. In addition, after the LEA hires a teacher

with Class-Size Reduction funds, it may continue to use funds under this program each year to pay that teacher, so long as funds are appropriated by the Congress.

F-19 May funds be used to train teachers who are already employed?

Class-size reduction can help improve student learning the most when teachers are well prepared with techniques for teaching in smaller classes. That is why the legislation allows school districts to use as much as 25 percent of the funds they receive to promote high-quality teaching — including training for current teachers. Funds may not be spent to provide professional development to non-instructional staff.

In addition, LEAs that have already reduced class size to 18 for grades kindergarten through three (or in other grades or subjects for LEAs that do not serve grades kindergarten through three) with fully qualified teachers may choose to use all of their program funds to train both new and experienced teachers. However, for most LEAs, the bulk of the funds (at least 72 percent) must be used for recruiting, hiring, and training new teachers.

F-20 What kinds of recruiting activities are allowable?

LEAs will incur a variety of costs depending on their approach to recruiting and hiring, and the Department encourages them to be creative in designing recruitment activities in order to attract the highest qualified teachers – particularly for high-poverty schools. Among the recruiting costs that would be allowable are:

- Advertising.
- Travel to schools of education to interview prospective teachers.
- Payment of hiring bonuses.
- Designing packages that will help attract teachers to high-poverty schools, particularly those schools that are having difficulty in attracting fully qualified, certified teachers, and providing the services included in the packages – including, for example:
 - ❖ Placing prospective teachers in classrooms as interns under circumstances that (1) pair them with veteran, certified teachers who will provide close supervision; (2) permit them to gain experience in providing instruction to small groups of students; (3) provide them with intensive mentoring and professional development; and (4) where possible, include a commitment from the prospective teacher (for a reasonable amount of time) to accept a teaching position in the LEA upon achieving full certification.
 - ❖ Payment of college tuition for a prospective teacher who contracts to teach in the LEA's schools.

- ❖ Paying moving expenses for a new teacher and his or her family to come to the school district.
- ❖ Paying for new teachers to go through the certification process of the National Board for Professional Teaching Standards, after they have taught for the required period of time.
- ❖ Paying for a mentoring program for new teachers that involves veteran teachers and faculty from nearby colleges and universities.
- ❖ Assisting new teachers to obtain a higher-level degree.

F-21 What requirements apply to this program with respect to the participation of private school teachers?

LEAs must ensure equitable participation of teachers from private, nonprofit elementary and secondary schools in professional development activities if it makes such activities available to public school personnel with Class-Size Reduction funds. In carrying out professional development activities, the LEA should follow section 6402 of the ESEA, which contains requirements applying to Title VI, with respect to the participation of private school teachers. Under these provisions, an LEA must engage in meaningful consultation with private school officials to determine the needs of a particular private school's teachers and the professional development activities that will meet those needs. The LEA then must provide those activities on an equitable basis to the private school teachers, regardless of whether the activities are the same as those that the LEA provides to the public school teachers. The equitable participation requirement does not apply to the activities of recruiting, hiring, and training teachers or testing new teachers, and no funds may be used for these activities for private schools.

F-22 Are there requirements pertaining to "supplanting"?

Yes, LEAs must use these Federal funds only to supplement, and not to supplant, State and local funds that, in the absence of the Federal funds, would otherwise be spent for activities authorized by the Class-Size Reduction Program. Thus, if the State or LEA has already instituted and is funding a class-size reduction initiative, these Federal funds must be used to supplement and not replace those State or local funds. More specifically, if State or local funds are made available for the purpose of recruiting, hiring, and training teachers in order to reduce class size, testing new teachers, or providing professional development to teachers, the Federal Class-Size Reduction Program funds may not be used to replace those State or local funds.

An LEA that added State or local funds to its FY 1999 allocation, thus enabling it to pay the salary of a full-time teacher to reduce class size, may receive a higher allocation in FY 2000. Such an LEA may not decrease the amount of locally contributed funds for class-size reduction purposes in light of the increased allocation.

F-23 Are there requirements pertaining to “maintenance of effort”?

Yes, the State-level maintenance of effort requirement in Title VI of the ESEA also applies to this program.

Section G. FLEXIBILITY TO MEET LOCAL NEEDS

No Federal program can be designed to meet the needs of every LEA in every respect. An LEA that wants to adapt components of the Class-Size Reduction Program to its unique circumstances may avail itself of a number of options, including applying for waivers of statutory requirements.

G-1 May States or LEAs apply to the Secretary of Education for a waiver if a requirement of the Class-Size Reduction Program would impede school reform efforts in the LEA?

Since this program is part of Title VI of the ESEA, States and LEAs may apply for waivers in accordance with Title XIV of the ESEA. The Secretary may grant a waiver to an LEA only if the LEA is using the Class-Size Reduction funds to meet the basic purpose of the program – i.e., reducing class size, particularly in the early grades, using fully qualified teachers to increase achievement for regular and special needs children. The following are examples of the kinds of waivers that might be appropriate in particular circumstances:

- A waiver of the requirement to limit professional development and testing of new teachers to 25 percent of an LEA’s grant, to help the district address a shortage of fully qualified teachers.
- A waiver of the requirement that no funds be used to increase the salaries or provide benefits for teachers who are not hired under the Class-Size Reduction Program in order, for example, to provide extra pay for veteran teachers who serve as mentors to newly recruited teachers.

For further information on waivers, call the waiver assistance line at (202) 401-7801 or visit the Department’s website on waivers at www.ed.gov/nclb/freedom/local/flexibility/.

G-2 May an Ed-Flex State waive requirements for LEAs under this program?

Yes, States that have been granted “Ed-Flex” status by the Secretary have the authority to waive certain requirements applicable to districts or schools – including those of Title VI of the ESEA – without applying to the Department of Education. Because the Class-Size Reduction Program is part of Title VI, it is included under the Ed-Flex authority. LEAs and States should note, however, that no requirements that go to the intent and purposes of a program may be waived. Therefore, the basic purpose – reducing class size, particularly in the early grades, using fully qualified teachers to increase achievement for

regular and special needs children – may not be waived. Also, Ed-Flex States may not waive formula provisions for distributing Class-Size Reduction funds to LEAs.

In addition, a district in an Ed-Flex State under the Education Flexibility Partnership Act can obtain a waiver to use more than 25 percent of its Class-Size Reduction funds on professional development activities if 10 percent or more of the teachers in the district’s elementary schools do not meet State and local certification requirements, or if the certification requirements have been waived. With such a waiver, the district would be required to use any of the professional development funds over the 25 percent limit for professional development activities to ensure that at least 90 percent of the teachers in elementary schools are certified. Districts that meet these criteria, but that are not in an Ed-Flex State, may apply to the Department for such a waiver.

G-3 May an LEA include Class-Size Reduction funds in a Title I schoolwide program?

Yes, these funds may be used as part of a schoolwide program. Schools are not required to track separately the Federal program funds that they use in schoolwide programs and, therefore, will not be required to track any Class-Size Reduction funds used in a schoolwide program. Schools with schoolwide programs are, however, obligated to carry out the basic intent and purposes of all Federal programs whose funds are included. Therefore, schoolwide programs that use Class-Size Reduction funds must strive to reduce the size of their classes, particularly in the early grades, using fully qualified teachers to increase achievement for regular and special needs children. In addition, they may, of course, carry out any of the other activities authorized by the Class-Size Reduction Program.

G-4 If it is not feasible to add additional classroom space, are there other, acceptable routes to reducing class size?

Schools in some communities will not have additional classroom space immediately available to accommodate additional teachers and smaller classes. Schools in this situation are encouraged to explore other ways of effectively providing the benefits of small class size to students, e.g., by creating smaller instructional groups, with certified teachers, for sustained blocks of time on a daily basis. Schools have tried a number of approaches to accomplishing this, including:

- Having two certified teachers team teach in a single classroom for either part of the school day or the entire day.
- Hiring an additional certified teacher for a grade level (e.g., providing three teachers for two 3rd grade classes) and dividing the students among the larger number of teachers for sustained periods of instruction each day in priority subjects such as reading and math.
- Hiring an additional certified teacher who works with half the students in a class for reading or math instruction, while the other half remains with the regular classroom teacher.

- Converting to a year-round schedule.

Each of these approaches can take advantage of space that may be unused for part of the school day or year. Each can provide smaller groups of students with instruction from a fully qualified teacher for a significant block of time on a daily or regular basis. Each can ensure that students stay with the same teacher on a sustained basis. Each allows students to be grouped according to their achievement levels or instructional needs. And none requires that students be tracked by ability on a permanent or long-term basis.

G-5 Many school districts are having a difficult time attracting fully qualified teachers. What can they do resolve this problem?

The Class-Size Reduction Program offers LEAs resources to explore a number of options for attracting fully qualified teachers. One of the most potent may be the authority to use funds for recruiting purposes (see question F-20 for some examples of allowable recruiting activities). LEA recruiters can offer attractive incentives for new fully qualified teachers to come to their districts. Another approach is to consider hiring part-time certified teachers who can be responsible for teaching small classes of students in core academic subjects. Many former teachers who have left the field in order, for example, to raise a family, would be interested in returning if they could do so on a part-time basis.

G-6 May districts continue to pay the salaries of uncertified teachers who were hired with Class-Size Reduction funds in school year 1999-2000?

No, section 310(h) of the program statute prohibits LEAs from using FY 2000 funds to continue to pay the salaries of any uncertified teachers hired with FY 1999 funds, unless those teachers are certified by the start of the 2000-2001 school year.

G-7 Are teachers hired with Class-Size Reduction funds exempt from local collective bargaining agreements or other local personnel requirements, such as those related to seniority?

The Class-Size Reduction Program provides supplementary funds for districts, enabling them to hire additional fully qualified teachers to reduce class size. However, the program does not impose specific terms of employment for teachers hired with program funds. It also does not exempt these teachers from a school district's collective bargaining agreements or from other contractual or State or local legal requirements related to employment within the school district.

Section H. ACCOUNTABILITY

<p><i>Public accountability is an essential feature of any major investment of public funds. Parents, teachers, and policy-makers must learn which approaches to class-size reduction are most likely to result in improved student achievement, and why.</i></p>
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H-1 What reports will States submit?

Each State receiving funds will report on Class-Size Reduction activities in the State as part of the report States already file under Title VI of the ESEA. The report is due every two years and is described in section 6202(a)(2)(A) of the ESEA. The first of these reports that includes Class-Size Reduction information will be due in December 2001. The next such report will be due in December 2003; the Department of Education will issue further guidance on the content of this report, but envisions that the information will be similar to the information that these guidelines suggest be included in an LEA application. (See *E-3*.)

In addition, each State is required to publicly report to parents on:

- its progress in reducing class size throughout the State;
- its progress in increasing the percentage of classes in core academic areas taught by fully qualified teachers within the State; and
- the impact that hiring additional fully qualified teachers and reducing class size has had on increasing student academic achievement within the State.

H-2 What reporting requirements apply to LEAs?

Each LEA that participates in the Class-Size Reduction Program is also required to publicly report to parents on:

- its progress in reducing class size in the LEA;
- its progress in increasing the percentage of classes in core academic areas taught by fully qualified teachers throughout the LEA; and
- the impact that hiring additional fully qualified teachers and reducing class size has had on increasing student academic achievement across the LEA.

States and LEAs may work out these reporting procedures to meet local needs. The following are some of the items that LEAs may wish to include in their annual reports:

- How class sizes were reduced with funds from this program—numbers of fully qualified teachers hired, grades to which new teachers were assigned, and class sizes before and after the hiring of additional teachers;
- A description of the professional development that was provided through funds from this program, and information about the participants in the training, including staff from private, nonprofit schools within the LEA's boundaries, with numbers of teachers and grades taught;
- Comparison of student performance, and how this was measured, before and after class sizes were reduced.

H-3 What kind of accountability will there be for participating schools?

Any school or school district receiving Class-Size Reduction funds must provide to parents, upon request, the professional qualifications of their child's teacher.

H-4 Will the Department of Education conduct a national evaluation of the Class-Size Reduction Program?

Yes, plans to conduct a national evaluation are being developed. The Department will be notifying States and LEAs about these evaluations and about the requirements of States and LEAs to participate, as necessary. The Department intends to include the basic information that States provided on subgrantees under the first year of the program to compile data on early implementation of the program, and is focusing on a careful measurement of class-size changes together with such issues as methods used by schools to reduce class size, the quality of the teachers hired, recruitment methods, and professional development provided.

APPENDICES

Appendix 1. FY 2000 Estimated State Allotments

Appendix 2. FY 2000 Class-Size Reduction Program Statute

Appendix 1

**Class-Size Reduction Program
Estimated State Allocations
Fiscal Year 2000**

ALABAMA	21,039,181
ALASKA	6,094,043
ARIZONA	18,974,426
ARKANSAS	12,597,496
CALIFORNIA	139,996,856
COLORADO	14,267,043
CONNECTICUT	12,304,031
DELAWARE	6,094,043
DISTRICT OF COLUMBIA	6,094,043
FLORIDA	56,190,521
GEORGIA	32,414,315
HAWAII	6,094,043
IDAHO	6,094,043
ILLINOIS	54,336,793
INDIANA	21,779,082
IOWA	10,240,731
KANSAS	10,385,472
KENTUCKY	21,286,626
LOUISIANA	31,939,287
MAINE	6,094,043
MARYLAND	18,949,494
MASSACHUSETTS	24,327,685
MICHIGAN	54,486,298
MINNESOTA	18,057,605
MISSISSIPPI	20,817,599
MISSOURI	22,291,467
MONTANA	6,094,043
NEBRASKA	6,315,667

NEVADA	6,094,043
NEW HAMPSHIRE	6,094,043
NEW JERSEY	29,710,787
NEW MEXICO	10,425,459
NEW YORK	113,271,050
NORTH CAROLINA	26,745,687
NORTH DAKOTA	6,094,043
OHIO	50,003,776
OKLAHOMA	14,662,970
OREGON	12,533,025
PENNSYLVANIA	55,252,423
PUERTO RICO	43,827,419
RHODE ISLAND	6,094,043
SOUTH CAROLINA	15,709,106
SOUTH DAKOTA	6,094,043
TENNESSEE	21,746,713
TEXAS	105,347,705
UTAH	8,335,773
VERMONT	6,094,043
VIRGINIA	22,800,245
WASHINGTON	21,262,440
WEST VIRGINIA	12,247,517
WISCONSIN	21,803,624
WYOMING	6,094,043
BIA	3,466,728
AMERICAN SAMOA	434,896
GUAM	1,014,631
VIRGIN ISLANDS	835,936
NORTHERN MARIANAS	247,810

Appendix 2

FY 2000 Class Size Reduction Program PL 106-113

SEC. 310 (a) From the amount appropriated for title VI of the Elementary and Secondary Education Act of 1965 in accordance with this section, the Secretary of Education - (1) shall make available a total of \$6,000,000 to the Secretary of the Interior (on behalf of the Bureau of Indian Affairs) and the outlying areas for activities under this section; and (2) shall allocate the remainder by providing each State the same percentage of that remainder as it received of the funds allocated to States under Section 307(a)(2) of the Department of Education Appropriations Act, 1999.

(b)(1) Each State that receives funds under this section shall distribute 100 percent of such funds to local educational agencies, of which-

(A) 80 percent of such amount shall be allocated to such local educational agencies in proportion to the number of children, aged 5 to 17, who reside in the school district served by such local educational agency from families with incomes below the poverty line (as defined by the Office of Management and Budget and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S. C. 9902(2))) applicable to a family of the size involved for the most recent fiscal year for which satisfactory data are available compared to the number of such individuals who reside in the school districts served by all the local educational agencies in the State for that fiscal year; and

(B) 20 percent of such amount shall be allocated to such local educational agencies in accordance with the relative enrollments of children, aged 5 to 17, in public and private nonprofit elementary and secondary schools within the boundaries of such agencies.

(2) Notwithstanding paragraph (1), if the award to a local educational agency under this section is less than the starting salary for a new fully qualified teacher in that agency who is certified within the State (which may include certification through State or local alternative routes), has a baccalaureate degree, and demonstrates the general knowledge, teaching skills, and subject matter knowledge required to teach in his or her content areas, that agency may use funds under this section to (A) help pay the salary of a full- or part-time teacher hired to reduce class size, which may be in combination with other Federal, State, or local funds; or (B) pay for activities described in subsection (c)(2)(A)(iii) which may be related to teaching in smaller classes.

(c)(1) The basic purpose and intent of this section is to reduce class size with fully qualified teachers. Each local educational agency that receives funds under this section shall use such funds to carry out effective approaches to reducing class size with fully

qualified teachers who are certified within the State, including teachers certified through State or local alternative routes, and who demonstrate competency in the areas in which they teach, to improve educational achievement for both regular and special needs children, with particular consideration given to reducing class size in the early elementary grades for which some research has shown class size reduction is most effective.

(2)(A) Each such local educational agency may use funds under this section for

(i) recruiting (including through the use of signing bonuses, and other financial incentives), hiring, and training fully qualified regular and special education teachers (which may include hiring special education teachers to team-teach with regular teachers in classrooms that contain both children with disabilities and non-disabled children) and teachers of special-needs children, who are certified within the State, including teachers certified through State or local alternative routes, have a baccalaureate degree and demonstrate the general knowledge, teaching skills, and subject matter knowledge required to teach in their content areas;

(ii) testing new teachers for academic content knowledge and to meet State certification requirements that are consistent with title II of the Higher Education Act of 1965; and

(iii) providing professional development (which may include such activities as promoting retention and mentoring) to teachers, including special education teachers and teachers of special-needs children, in order to meet the goal of ensuring that all instructional staff have the subject matter knowledge, teaching knowledge, and teaching skills necessary to teach effectively in the content area or areas in which they provide instruction, consistent with title II of the Higher Education Act of 1965.

(B)(i) Except as provided under clause (ii) a local educational agency may use not more than a total of 25 percent of the award received under this section for activities described in clauses (ii) and (iii) of subparagraph (A).

(ii) A local educational agency in an Ed-Flex Partnership State under Public Law 106-25, the Education Flexibility Partnership Act, and in which 10 percent or more of teachers in elementary schools as defined by section 14101(14) of the Elementary and Secondary Education Act of 1965 have not met applicable State and local certification requirements (including certification through State or local alternative routes), or if such requirements have been waived, may apply to the State educational agency for a waiver that would permit it to use more than 25 percent of the funds it receives under this section for activities described in subparagraph (A)(iii) for the purpose of helping teachers who have not met the certification requirements become certified.

(iii) If the State educational agency approves the local educational agency's application for a waiver under clause (ii), the local educational agency may use the funds subject to the waiver for activities described in subparagraph (A)(iii) that are needed to ensure that at least 90 percent of the teachers in elementary schools are certified within the State.

(C) A local educational agency that has already reduced class size in the early grades to 18 or less children (or has already reduced class size to a State or local class size reduction goal that was in effect on the day before the enactment of the Department of Education Appropriations Act, 2000, if that State or local educational agency goal is 20 or fewer children) may use funds received in this section--

(i) to make further class size reductions in grades kindergarten through 3;

(ii) to reduce class size in other grades; or

(iii) to carry out activities to improve teacher quality, including professional development.

(D) If a local educational agency has already reduced class size in the early grades to 18 or fewer children and intends to use funds provided under this section to carry out professional development activities, including activities to improve teacher quality, then the State shall make the award under subsection (b) to the local educational agency.

(3) Each such agency shall use funds under this section only to supplement, and not to supplant, State and local funds that, in the absence of such funds, would otherwise be spent for activities under this section.

(4) No funds made available under this section may be used to increase the salaries or provide benefits, other than participation in professional development and enrichment programs, to teachers who are not hired under this section. Funds under this section may be used to pay the salary of teachers hired under section 307 of the Department of Education Appropriations Act, 1999.

(d)(1) Each State receiving funds under this section shall report on activities in the State under this section, consistent with section 6202(a)(2) of the Elementary and Secondary Education Act of 1965.

(2) Each State and local educational agency receiving funds under this section shall publicly report to parents on its progress in reducing class size, increasing the percentage of classes in core academic areas taught by fully qualified teachers who are certified within the State and demonstrate competency in the content areas in which they teach, and on the impact that hiring additional highly qualified teachers and reducing class size, has had, if any, on increasing student academic achievement.

(3) Each school receiving funds under this section shall provide to parents upon request, the professional qualifications of their child's teacher.

(e) If a local educational agency uses funds made available under this section for professional development activities, the agency shall ensure for the equitable participation of private nonprofit elementary and secondary schools in such activities. Section 6402 of the Elementary and Secondary Education Act of 1965 shall not apply to other activities under this section.

(f) ADMINISTRATIVE EXPENSES--A local educational agency that receives funds under this section may use not more than 3 percent of such funds for local administrative costs.

(g) REQUEST FOR FUNDS--Each local educational agency that desires to receive funds under this section shall include in the application required under section 6303 of the Elementary and Secondary Education Act of 1965 a description of the agency's program to reduce class size by hiring additional highly qualified teachers.

(h) No funds under this section may be used to pay the salary of any teacher hired with funds under section 307 of the Department of Education Appropriations Act, 1999, unless, by the start of the 2000-2001 school year, the teacher is certified within the State (which may include certification through State or local alternative routes) and demonstrates competency in the subject areas in which he or she teaches.