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achievement obtained at the end of third grade for the students who had experienced 4 years of small classes (which was about .352 standard deviations, see Nye et al., 2000).

The Minority x Small Class interaction was also statistically significant, $F(1,3545) = 4.575$, $p < .05$, indicating that the small-class effect was larger for minority students than for White students. The effect of 4 years of small classes was .207 standard deviations larger for minority students than for White students. None of the other interactions were statistically significant.

As in the previous analysis, girls had significantly higher mathematics achievement than boys, $F(1,3545) = 7.940$, $p < .01$. Low-SES students had significantly lower achievement than other students, $F(1,3545) = 15.051$, $p < .01$. However, although minority students had lower achievement than White students, that difference was not statistically significant, $F(1,3545) = 0.752$, $p > .05$.

It is important to recognize that in this analysis, the students were not randomly assigned to receive 4 (as opposed to 1, 2, or 3) years of small classes. Therefore, the students who received 4 years of small classes, for example, were likely to be different (in ways not entirely accounted for by race, gender, and social class) from those who did not. For example, they may have come from families that were less likely to move. Assuming that students who come from more stable homes may have higher levels of achievement, these students might have been better prepared to benefit from small classes, which could exaggerate the effects. On the other hand, the comparison group against which the students who had received 4 years of small classes were contrasted included substantial numbers of students (at least $n = 835$, or more than 25% of the comparison group) who had received 1 or more years of small classes, which would tend to reduce the apparent effects of small classes.

Taken together, these findings suggest that, although the small-class effect may have been somewhat smaller at the Grade 9 follow up than at the Grade 3 posttest, the effect remained substantial compared with the small-class effect at Grade 3 (no less than 90% of this effect). That is, the small-class effect on achievement may have diminished somewhat, but it definitely did not fade to statistical or practical insignificance after 6 years.

Discussion

The **STAR** experiment demonstrated that small classes led to significantly higher achievement for students in reading and mathematics at the conclusion of the experiment. Our analyses of the data collected by the Lasting Benefits Study demonstrate that the positive effects of small classes in early grades resulted in mathematics achievement gains that persisted at least through Grade 9. Moreover, the achievement effects were similar in magnitude to those observed at Grade 3. That is, the effects of small classes in kindergarten through Grade 3 on achievement did not appear to be fading out by Grade 9.

Lasting benefits were found for all kinds of students in all kinds of schools, but the benefits of small classes were significantly larger for minority students. Thus, small classes may be a way to benefit all students while reducing the gap in achievement between White and minority students.

This 6-year follow-up study was also subject to substantial attrition, but the students who dropped out of small classes actually had higher achievement than those who dropped out of regular-sized classes, suggesting that the observed differences in achievement between students who had been in small and regular-sized classes was not due to attrition.

The **STAR** study provided an important (and perhaps the strongest) piece of converging evidence about the effectiveness of small classes in promoting achievement. The present study provides evidence that these effects do not disappear over time but confer on students from small classes in early grades achievement benefits that last at least until high school. This evidence points to the positive effects of small classes on achievement that are large enough and of sufficient duration to support policies of class-size reduction resulting in small classes (15-17 pupils) in the primary grades.

This study also demonstrates that students who experienced more years of small classes in kindergarten through Grade 3 had higher levels of achievement 6 years later than students who had fewer years of

small classes. Although the evidence that the effects of small classes compound is not definitive, it is strongly suggestive. Therefore, it is likely that the lasting benefits increase with the number of years in small classes.

The mechanism by which small classes lead to higher achievement, and differentially higher achievement for minority students, is not clear. There are, however, some obvious hypotheses. First, small classes may permit teachers to more effectively individualize instruction. For example, with small classes teachers could identify and remedy incipient problems among students at risk for low achievement. Second, small classes may make existing instruction more effective. For example, small classes may lead to fewer disruptions or more effective whole-class instruction.

Understanding the mechanism could lead to more effective ways to implement class-size reductions and to improve their effectiveness. Such understanding is obviously desirable. Similarly, the effect of small changes in class size or of altering the teacher-pupil ratio (without necessarily changing class size) is not immediately obvious from this experiment.

This research has not even answered all the important questions about the effects of small classes on achievement and other desirable outcomes of schooling. For example, the effects of small classes on achievement growth are not yet clear. Although it appears that students in small classes experience an increase in achievement that persists over time, the growth trajectories of students from small and regular-sized classes have not been studied in detail. This too would be desirable.

Other questions concern the effects of small classes on the other outcomes of schooling such as student engagement, motivation, and persistence. Of particular concern is whether students who are in small classes in early grades will be more likely to graduate from high school, more likely to go to college, and more likely to successfully participate in the labor force. Researchers may use data that are continuing to be collected by the Lasting Benefits Study to ultimately answer some of these questions.

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TABLE 1 Third-Grade Achievement Test Scores for Students Present (Stayers) and Not Present (Leavers) at Grade 9: Small Class in Grade 3

Legend for Chart:

- A - Grade 9 status
- B - Small class n
- C - Small class Average
- D - Regular-sized class n
- E - Regular-sized class Average
- F - Difference

	A	B	C	D	E	F
Math achievement at Grade 3						
Present (stayers)		757	609.54	1,726	607.13	2.41
Not present (leavers)		1,181	631.56	2,418	621.76	9.80
Difference						-7.39 (*)
Reading achievement at Grade 3						
Present (stayers)		755	608.08	1,703	604.24	3.84
Not present (leavers)		1,160	629.53	2,387	618.92	10.61
Difference						-6.77 (*)

(*) $p < .001$.

TABLE 2 ANOVA Summary on the Relationship Between Math Achievement and Small Class at Grade 3

Legend for Chart:

A - Source
B - df
C - SS
D - MS
E - F
F - Pr > F

A	B	C E	D F
Female students	1	16.021 16.499	16.021 $p < .0001$
Minority	1	5.800 5.973	5.800 $p < .05$
Low SES at Grade 3	1	31.893 32.844	31.893 $p < .0001$
Small class at Grade 3	1	12.333 12.701	12.333 $p < .001$
Small Class x Female interaction	1	0.567 0.584	0.567 --
Small Class x Minority interaction	1	9.364 9.643	9.364 $p < .01$
Small Class x Low SES at Grade 3 interaction	1	2.992 3.081	2.992 --
Within groups	3,545	3,442.341	0.971
Total	3,552	3,521.311	

TABLE 3 Ninth-Grade Average Math Test Scores, by Gender, Race, SES, and Grade 3 Class Size

Legend for Chart:

A - Variable
B - Small class in Grade 3 M
C - Small class in Grade 3 n
D - Regular-sized class in Grade 3(a) M
E - Regular-sized class in Grade 3(a) n
F - Overall M
G - Overall n

	A	B	C	D	E	F	G
Gender							
Male		59.59	379	58.60	1,413	58.79	1,792
Female		62.88	383	60.59	1,387	61.09	1,770
Race							
Minority		60.38	342	57.16	1,316	57.82	1,658
White		61.83	419	61.79	1,476	61.80	1,895
SES							
Low		58.84	438	57.10	987	57.64	1,425
High		64.37	324	60.94	1,813	61.46	2,137
Math achievement		61.19	762	59.59	2,800	59.93	3,562

(a) The referent group consisted of students who were in regular-sized classes in Grade 3 and who were part of **Project STAR** in previous grades.

TABLE 4 Third-Grade Achievement Test Scores for Students Present (Stayers) and Not Present (Leavers) at Grade 9: Small Class in All Grades

Legend for Chart:

- A - Grade 9 status
- B - Small class in all grades n
- C - Small class in all grades Average
- D - Control group n
- E - Control group Average
- F - Difference

	A	B	C	D	E	F
Math achievement at Grade 3						
Present (stayers)		305	614.82	2,178	606.89	7.93
Not present (leavers)		509	614.67	3,090	622.23	19.44
Difference						-11.51(*)

Reading achievement at Grade 3

Present (stayers)	304	615.22	2,154	604.03	11.19
Not present (leavers)	502	639.81	3,045	619.52	20.29
Difference					-9.10(*)

(*) $p < .001$.

TABLE 5 ANOVA Summary on the Relationship Between Math Achievement and Small Class in All Grades K-3

Legend for Chart:

A - Source
 B - df
 C - SS
 D - MS
 E - F
 F - Pr > F

A	B	C E	D F
Female students	1	7.685 7.940	7.685 p < .01
Minority	1	0.728 0.752	0.728 --
Low SES at Grade 3	1	14.567 15.051	14.567 p < .0001
Small class in Grades K-3	1	30.049 31.047	30.049 p < .0001
Small Class x Female interaction	1	0.264 0.273	0.264 --
Small Class x Minority interaction	1	4.428 4.575	4.428 p < .05
Small Class x Low SES at Grade 3 interaction	1	1.136 1.174	1.136 --
Within groups	3,545	3,431.082	0.968
Total	3,552	3,489.939	

TABLE 6 Ninth-Grade Average Math Test Scores, by Gender, Race, SES, and Grades K-3 Class Size

Legend for Chart:

A - Variable
 B - Small class in K-3 M
 C - Small class in K-3 n
 D - Regular-sized class in K-3(a) M
 E - Regular-sized class in K-3(a) n
 F - Overall M
 G - Overall n

A	B	C	D	E	F	G
Gender						
Male	63.12	137	58.43	1,655	58.79	1,792
Female	66.76	156	60.54	1,614	61.09	1,770
Race						

Minority	64.60	110	57.34	1,548	57.82	1,658
White	65.33	183	61.42	1,712	61.80	1,895
SES						
Low	62.48	145	57.09	1,280	57.64	1,425
High	67.59	148	61.01	1,989	61.46	2,137
Math achievement	65.06	293	59.47	3,269	59.93	3,562

(a) The referent group consisted of students who had participated in **Project STAR** and who were not in small classes in all Grades K-3.

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Smaller = Better  
Does It Work? The Research Is Mixed

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**Smaller = Better?**

A wave of popular support has buoyed up the idea of reducing school class sizes across the country. But does it work? Maybe so, maybe not.

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By Julie Davis Bell

Reducing the size of elementary school classes is one of the hottest education reforms to hit state legislative agendas. Nationwide, schools average 23 students per class—too large, some say, to provide the kind of individualized attention students really need to succeed. Using research as a guide, supporters are suggesting that states should focus on creating smaller classes. Now states are figuring out what's involved in getting from here to there. It's a story of huge political potential and huge price tags.

It's hard to find many public policy proposals more popular than reducing class size. A March 1997 *Wall Street Journal* poll found that 70 percent of adults believe that reducing class size would result in big improvements for public schools. A 1997 *Education Week* survey found that 83 percent of teachers and 60 percent of principals believed classes should not exceed 17 students. Parents say their children are happier and learn more in smaller classes. Teachers report they have fewer discipline problems, are able to give students more individual help and can cover material faster.

Such strong public opinion numbers rarely surface. Naturally, policymakers everywhere are paying attention. It seems simply to make intuitive sense—children can get a better education in a smaller class, where the teacher can get to know them better and give them more personalized attention. But as legislators get into the issue, they are finding they must proceed with caution. Reducing the size of classes may be the most expensive education initiative they have ever considered. And the research is not at all clear on whether smaller classes translate into improved learning. So, how far should legislators go with something that is politically popular, very expensive and has uncertain outcomes?

"Lower class size is the argument for the reformation of the public school system," says Michigan Senator Joe Conroy, a passionate supporter of smaller classes. Since 1994, Michigan has funded a pilot program in Conroy's home of Flint. It has cost the state approximately \$6 million. Conroy says the results are significant: "Forty-three percent more fourth graders are passing the state reading test, and 18 percent more are passing the state math test." Conroy visits one school building a week in his district. He says he has observed a "sea change" in the way classes are conducted, including greater decorum and teacher enthusiasm. "The train is on the track for more to come," says Conroy. This year he helped to develop the next step for Michigan—a \$20 million program for statewide implementation of class size reduction in the neediest districts.

Michigan is among 20 states that have passed or are considering passing bills mandating smaller classes. These programs vary in several ways. Most focus on the early grades—primarily kindergarten through third—but some, like Tennessee's, target all grades. States may prescribe classroom averages that schools and districts must maintain or

may impose a maximum number of students per class. Some states, such as Arkansas and Virginia, prescribe an average or maximum student-teacher ratio rather than an average or maximum class size. This allows schools and districts additional flexibility because they are able to use teacher aides and still meet state requirements.

#### 20 STUDENTS MAXIMUM

Typically states are setting averages in grades K-3 at around 20 students. Nevada has the lowest mandated size, requiring no more than 15 students per class. Several states approach class size reduction by offering fiscal incentives. In Michigan, the state provides 75 percent of the funds for poor districts that reduce classes to an average of 17 students with a maximum of 19. Oklahoma began its effort with a grant program, but found implementation cumbersome. The state has now set a five-year schedule to reduce classes statewide to a maximum of 20 students per class in grades K-6.

President Clinton has also jumped on board, adding momentum to the already popular movement. In his 1998 State of the Union address, he announced a national effort to reduce classes to an average of 18 students in grades one, two and three. To help states accomplish this goal, he vowed support for hiring 100,000 new teachers who have passed state competency tests, and a construction tax to help build and modernize schools. Estimates are that this plan would cost about \$12 billion over seven years and would be an additional incentive for states to reduce class sizes.

If Clinton's plan becomes law, it will help states with the significant cost involved in smaller classes. States considering the move must make a serious budgetary commitment. In states facing increasing school enrollment, the costs will be even greater. In California it is costing an extra \$800 or so per pupil per school year. This doesn't even include the cost of new classrooms, estimated to be \$1.1 billion. The Michigan class size reduction program for FY 1999 provides nearly \$20 million for grants to eligible schools. Tennessee invested about \$600 million between 1991 and 1996 to implement its program. In Philadelphia, Superintendent David Hornbeck unveiled plans to reduce class size in kindergarten through third grade from an average of 27 students to 20 students by the year 2002. Estimates are that the program would require a thousand new teachers at \$50 million a year and 35 new schools at \$470 million.

#### NO MAGIC NUMBER

Policymakers who look to research to help answer questions about the effectiveness of smaller classes will find some general recommendations, but little definitive evidence. Most states are heeding two general conclusions: They are most effective in the early grades, and they may be the most valuable for at-risk students.

How small do classes have to be before results are observed? Most research indicates that classes must drop to no more than 15 to 17 students. Otherwise, there is no evidence that smaller class size results in better student achievement. But few states have tried such small classes.

"The research hasn't yet answered the questions legislators ask," says Mike Kirst, Stanford University professor and co-director of the Policy Analysis Center for Education (PACE), which provides much of California's education policy research. "There's no consensus on the magic number. There is certainly no research to justify reducing all grades. If we know anything, it is that positive effects are observed when classes around 23 to 25 students are reduced to 15 to 17. Positive effects are observed in grades K-2—not even third grade—and positive effects are observed in disadvantaged kids."

Most legislators pushing change in class size know these statistics, but argue that any reduction is a positive move. "In a state like California, a reduction from 30 to 20 students is huge. It's the best we can do," says Assemblywoman Kerry Mazzone, who chairs the Education Committee. The parents, teachers, students and policymakers in California, in fact, are extremely happy over that state's efforts. The research may say that California's new classes are not small enough to make a difference in student achievement, but the classes are definitely small enough to make a difference in public opinion.

Nowhere has class size reduction been such a hit—or as expensive—as in California. The California class size reduction program, passed in 1996, cost nearly \$1 billion—the largest infusion of money into the state's K-12 education system since the tax-limiting Proposition 13 passed in 1978. About three-fourths of the money was used to reduce class sizes and the remainder went to extra classroom space. The program is voluntary for school districts, but those participating

must reduce class size to 20 or fewer in grades K-3. The state provides the full additional per pupil cost of \$800.

Not only was the California program the largest and most ambitious ever, it was implemented in a remarkably short period of time. And it has turned out to be a political bonanza. The 1996 legislation was so popular with the public and voters that everyone has taken credit for it—including the governor, the superintendent of public instruction and legislative leaders—Democrats and Republicans. In a state often marked by its political contentiousness this was quite a story.

Class size reduction has sparked a whole new outlook on education and education reform in California. Over the last 10 years the state's education system has been down in the dumps; the property tax limiting Proposition 13, coupled with a poor economy and rapidly rising school enrollments, caused tremendous strain. California consistently was ranked at the bottom of the 50 states for per pupil spending and achievement. Public confidence in the schools was low.

The original measure moved quickly. Senator Leroy Greene wrote the first piece of legislation in 1996. The proposal was a modest one, targeting one grade a year. But he was concerned about the lack of research supporting whether this was a good investment. "Five months later the governor discovered it, and it became his class size reduction program. He wanted to do it all at once," Greene says.

As a result of the governor's strong endorsement and support from top education leaders, the legislation was signed into law in a few months. The response among parents and teachers was immediately positive. Perhaps the most telling statistic about the program's political success is that 120 legislators listed class size reduction as a major accomplishment in their 1996 campaign brochures.

#### HURDLES

But there were significant hurdles and very little planning time. California immediately needed 26,000 new teachers. There were not enough certified and substitute teachers for the new classes. The Legislature passed emergency certification legislation, enabling districts to draft candidates from a "reserve pool" of about 200,000 people who had valid state licenses. Some teachers were reassigned from upper grades with little, if any, training. Between the reduction program, the nation's fastest growing student enrollment and an aging teacher work force, estimates are that California will need to hire as many as 250,000 teachers over the next 10 years—more than the current total on the job.

Also immediately needed were 18,000 new classrooms. In California, every unused building was tapped, classrooms were reconfigured, libraries, auditoriums and gyms became classrooms and port-able classrooms were put into service. In doing this, California may have already tapped out its low-cost options. The main alternatives left include more portables or new construction. Having already spent about \$200 million on new classrooms, the state estimates the program will top \$1.1 billion.

That's a hefty price tag, particularly since evaluation plans were not put in place nor were long-term strategies for teachers and facilities adequately mapped out. This year, California has addressed some of the shortcomings of the original legislation to make future steps easier. For example, PACE is among several organizations that will conduct a comprehensive evaluation of the effects of class size reduction.

Senator Greene thinks California is moving too fast. He is concerned about the program's popularity and the response by lawmakers to expand the program by reducing class size in fourth and fifth grades and targeting specific middle and high school classes, such as eighth grade writing. Greene thinks the state would be better off looking at more proven reforms, such as strengthening reading, writing and arithmetic. "Here we are spending a billion dollars without knowing what it's buying."

Assemblywoman Mazzoni continues to be a strong proponent. "Class size reduction has been worth every penny. The deal has had a huge effect on public opinion and brought people together. It has changed public perception about schools and brought back children from the private schools. It's brought the need for adequate facilities to the forefront and is helping to secure the needed public support for funding."

Some good information may soon be forthcoming in California through the PACE study. The evaluation will examine the effect of class size reduction on student achievement; educational opportunities for minority students, students with limited English proficiency, special education and poor students; the quantity and quality of teaching, including professional development and instruction; educational facilities; and parallel effects of other educational reforms.

The California study is likely to offer important information not only to policymakers in that state, but to others considering this substantial investment. In the meantime, plenty of personal testimony points out the benefits of smaller classes. One district in California—the San Juan Unified School District in suburban Sacramento — reported that suspensions were down 19 percent and referrals of students with severe learning disabilities to special education programs were down 16 percent. Significant improvement was made in mathematics scores—an increase of 7 percent to 8 percent. Reading scores went up slightly—4 percent. The San Francisco Unified School District also has seen some gains in standardized test scores since reducing class size.

States planning to reduce the size of classes can learn a great deal by observing the successes and problems of those who have gone before them. Most states can expect problems in finding available and qualified teachers. At least in the early stages, states must make some important decisions: Is it better to have a small class with a less qualified teacher or a large class with a highly qualified teacher? Those who argue that an underqualified teacher is never a good choice suggest that states should focus on teacher quality, not class size. Some studies have suggested that teacher training and experience are more important indicators of student achievement than is class size. Teacher groups also argue that smaller classes are meaningless if teachers have not been trained to work with fewer students. States must deal with important issues of equity as well: When teachers are in high demand, the wealthier districts are more likely to be able to pay for the most qualified.

Stanford's Mike Kirst's advice is "target your resources to the very early grades, disadvantaged pupils, 20 or fewer students per class, and a phase-in with ample supply of quality teachers and sufficient space. Deviations from that are hard to justify."

Many policymakers, however, may find that something so popular is much too hard to resist.

Julle Davis Bell is an education expert at NCSL.

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## Does It Work? The Research Is Mixed

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Although over 1,100 studies examine the relationship between class size and student achievement, no definitive conclusions have been reached. Positive results have been demonstrated in Tennessee and Wisconsin, but other research finds little connection between student-teacher ratios and student performance, especially when measured against other types of educational reforms.

Critics argue that class sizes have fallen for decades, but a corresponding increase in student performance has not occurred. Further, international comparisons demonstrate little support for class size reduction. The average score of eighth graders in Korea and Japan was significantly higher than the United States in both math and science on the Third International Mathematics and Science Study, yet the average class sizes in those countries for 13-year-olds were 49 and 36 respectively vs. 23 in the United States.

The largest and perhaps most convincing study supporting class size reduction comes from Tennessee as a result of Project STAR (Student-Teacher Achievement Ratio) initiated in 1985. Spurred by a study detailing small class size success in Indiana, the legislature authorized a four-year program and study. A second phase of the project, Lasting

Benefits, began in 1989 and continues to track students from the initial study to determine whether small class benefits persist over time.

Project STAR examined 7,000 students and teachers randomly assigned to either a small class with approximately 15 students, a regular class with approximately 25 students or a regular class with approximately 25 students and a teacher aide. The four-year study found a consistent pattern of students in smaller classes achieving substantially higher scores than students in regular classes, with or without an aide. The lasting benefits study demonstrates the positive effects of these small classes in grades K-3. Higher achievement from small-class pupils has continued through ninth grade, although the disparity between students in small and regular classes has diminished slightly over time.

A new study of the Wisconsin's SAGE (Student Achievement Guarantee in Education) initiative has also yielded positive results. The state passed legislation in 1995 to phase in reductions in classes to 15 students in poor schools. During the 1996-97 school year, average test scores in smaller first grade classes increased 12 percent to 14 percent more than those of students in regular classes. The average gains were even greater for African American males, with total scores increasing by over 40 percent compared with similar students in regular classes.

While class size reductions cannot guarantee better student performance, both the Tennessee and Wisconsin experience along with other studies suggest that successful programs share key characteristics:

- Class size reduction should be concentrated in the primary years, particularly kindergarten through third grade. Tennessee students returning to regular classes as early as fourth grade maintained significantly higher achievement levels.
- Classes should be reduced to fewer than 20 students. Programs that reduce groups to below 20 have been found to be more effective than programs that retain more than 20 students but use teacher aides and other techniques to lower student-teacher ratios.
- Urban students, particularly minority pupils, benefit more than their peers from smaller classes. In Tennessee, inner city (predominantly minority) students also had significantly higher self-concept and third grade motivation scores than other inner city students.
- Class size reduction works best when coupled with professional development opportunities for teachers. Educators should be trained in new teaching techniques that take advantage of smaller class sizes.

Even if the research did demonstrate a clear link between class size and student performance, the question remains whether limiting class size is the smartest investment compared to other education reforms.

When asked about President Clinton's initiative, Chester Finn of the Hudson Institute think tank noted, "For \$12 billion you could retrain today's teachers so they knew their subjects. You could give each of the nation's 2.7 million teachers a \$1,000 tuition grant to go learn math or really effective techniques for teaching reading." A recent study using data from 60 previous research projects supports Finn's claim. Measuring the effect of a \$500 investment per student, it was found that spending on teacher education had the greatest impact on student achievement. Lowering the student-teacher ratio was found to have a smaller effect than increasing teacher education, experience and salaries.

The study examined only the relationship with student performance. Lowering class size also has been linked to other benefits such as positive emotional development, better and more frequent communication between home and school, fewer special education referrals and decreased teacher absenteeism. However, when measured against the costs of limited school facilities and the difficulty of finding and hiring qualified teachers, support for reducing class size is far from overwhelming.

—Eric Hirsch, NCSL

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## Does Class Size Matter in Public Schools?

### PSPN

The answer to that question appears to be a resounding yes. According to The US Dept of Education publication, ***Reducing Class Size, What Do We Know?*** - March 1999, "the pattern of findings drawn from the existing research leads to the following Summary Research Conclusions:"

1. A consensus of research indicates that class size reduction in the early grades leads to higher student achievement. Researchers are more cautious about the question of the positive effects of class size reduction in 4th through 12th grades. The significant effects of class size reduction on student achievement appear when class size is reduced to a point somewhere between 15 and 20 students, and continue to increase as class size approaches the situation of a 1-to-1 tutorial.
2. The research data from the relevant studies indicate that if class size

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is reduced from substantially more than 20 students per class to below 20 students, the related increase in student achievement moves the average student from the 50<sup>th</sup> percentile up to somewhere above the 60<sup>th</sup> percentile. For disadvantaged and minority students the effects are somewhat larger.

3. Students, teachers, and parents all report positive effects from the impact of class size reductions on the quality of classroom activity.

### **Why Do Smaller Classes Make a Difference? (excerpts)**

The higher student achievement brought about by class size reduction may result from some of the ways in which reducing class size naturally alters the classroom environment. On being assigned to smaller classes, teachers report that the classroom atmosphere is better, that students can receive more individualized attention, and that the teachers have more flexibility to use different instructional approaches and assignments. One unanticipated result of the Burke County reduced class size initiative was that the teachers found themselves with more classroom space to work with, because they were using the same classrooms with smaller numbers of students. Class size reduction also changes the educational opportunities beyond the classroom, insofar as teachers have a larger portion of time to devote to working with each of their students' parents.

Class size reduction changes numerous features of the classroom situation. There are fewer students to distract each other. Each student in a reduced size class gets more attention on average from the teacher, and more time to speak while the others listen. Reduced class size also reduces the level of noise in a class. One theory offered to explain the positive effects of class size reduction on student achievement simply argues that in smaller classes each student receives a larger portion of the educational resources represented by the teacher's instructional time, and consequently, learns more.

Other researchers have drawn attention to the *quality* of teaching in smaller classes, rather than the *quantity*. The SAGE evaluation study used teacher interviews, classroom observation, and other data-gathering techniques to study what happens in smaller classes, and these researchers suggest that students are benefiting from more *individualized* attention. The teachers know each of their students better, and can keep track of how each student is doing on the learning task of the moment. This knowledge enables the teacher to intervene more effectively to help the individual student make progress.

Researchers also have suggested that smaller classes are more likely to be "friendlier" places, where students develop better relationships with their classmates and with the teacher, encouraging students to become more engaged in classroom learning activities. The smaller the class, the harder it is to escape the positive influence of the classroom educational experience. The explanation for why reduced class size is especially beneficial in the early grades may derive from the fact that in the early grades children are learning how to be students in classrooms where the number of people is larger than the number of people in their families and students are learning a new routine. This socialization theory is also consistent with the research

finding in both *Project STAR* and *SAGE* that the largest increase in student achievement occurs in the first year of a student's experience in a smaller class.

The focus on class size reduction in the early grades also suggests that smaller classes represent a preventive, rather than a remedial, approach. If smaller classes help students start off on the right foot in learning how to adjust to the classroom situation and get engaged in learning activities, then students avoid the more difficult educational path of falling behind, finding help, and catching up to their schoolmates.

The question of class size is not simply a matter of less is more. The pattern of research evidence only favors class size reduction if it is substantial and brings the class size below a certain threshold. Reducing class size from 30 to 25, for example, may well have no effect whatsoever. The research evidence from *Project STAR* showed that students in smaller classes with fewer than 18 students did better when compared with students in larger classes. Given the variations among individual students and teachers and the way they interact, it is unlikely that there is a single "magic number" below which class size suddenly produces a beneficial effect. But it is fairly clear that class size must get somewhere below 20 in order to make a real difference.

Reducing class size to below 20 students leads to higher student achievement. However, class size reduction represents a considerable commitment of funds, and its implementation can have a sizable impact on the availability of qualified teachers. Strengthening teacher quality also leads to higher student achievement. There is more than one way to implement class size reduction, and more than one way to teach in a smaller class. Depending on how it is done, the benefits of class size reduction will be larger or smaller.

Teachers do not necessarily change their behavior when they move to smaller classes. In one observational research study, even though the teachers assigned to smaller classes thought they were teaching differently, the independent observers saw no discernable difference in teacher behavior. Research studies suggest that teachers do not just automatically change their behavior to optimize the potential benefits of smaller class size, and there is a considerable body of research that shows that creating substantial changes in teachers' classroom behavior is no easy feat. Both teachers who are used to teaching in larger classes and teachers newly hired due to the hiring needs associated with class size reduction initiatives will need to have professional training and support to enable them to utilize more fully the advantages of smaller classes. It is clear that many schools will face this challenge in the coming years. The best<sup>6</sup> ways to meet that challenge remain to be found.

## Conclusion

Reducing class size to below 20 students leads to higher student achievement. However, class size reduction represents a considerable commitment of funds, and its implementation can have a sizable impact on the availability of qualified teachers. Strengthening teacher quality also leads to higher student achievement. There is more than one way to implement class size reduction, and more than one way to teach in a smaller

class. Depending on how it is done, the benefits of class size reduction will be larger or smaller.

*The information above is provided from excerpts taken from the "The US Dept of Education's publication, **Reducing Class Size, What Do We Know?** - March 1999", To read this article in it's entirety, please [click here](#).*

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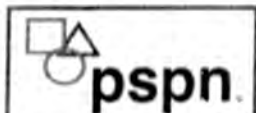
### NEA.org: **Class Size**

(excerpt) While many education reform proposals remain controversial, reducing class size to allow for more individualized attention for students is strongly supported by parents, teachers and education researchers.

NEA supports a class size of 15 students in regular programs and even smaller in programs for students with exceptional needs. Teachers with small classes can spend time and energy helping each child succeed. Smaller classes also enhance safety, discipline and order in the classroom. When qualified teachers teach smaller classes in modern schools, kids learn more. It's common sense, and the research proves it works to increase student achievement. [More>>](#)

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# Smaller isn't better: why reduced class size doesn't improve public education

By: Richard C. Leonardi, posted January 1, 1998

President Clinton called for it in his State of the Union message. The Ohio General Assembly mandated it in last year's school budget. And Ohioans, like most Americans, give it high marks in public opinion polls.

It's class size reduction, and it may be coming to a school near you.

Conventional wisdom suggests that reducing the number of students per teacher would solve a host of education problems, allowing for more personalized attention to students, less classroom disorder, and relief for overworked teachers.

But current research points to a different conclusion. Reducing class size boosts costs dramatically without a matching boost in student achievement. The University of Rochester's Eric A. Hanushek, a leading authority on school finance, recently surveyed national and international school systems and found little or no relationship between class size and achievement test scores. [1]

Hanushek discovered that between 1950 and 1994, student-teacher ratios in U.S. elementary and secondary schools fell by 35%. Nonetheless, math, science and reading scores among American 17 year olds have remained the same throughout most of that time period.[2]

International data showed the same results. When Hanushek examined six international tests in math or science from 70 countries between 1960 and 1990, he learned that, despite very large differences in student-teacher ratios, class size had no significant influence on student performance.[3]

"The econometric evidence is clear. There is little reason to believe that smaller class sizes systematically yield higher student achievement," concluded Hanushek. "While some studies point in that direction, an almost equal number point in the opposite direction." [4]

Ohio's public schools have experienced a similar trend over the past twenty years. There were about four fewer students in the average classroom in 1997 than in 1978, a 22% reduction in student-teacher ratios.[5] Despite these smaller class sizes, Ohio graduation rates have declined and overall proficiency test scores have not improved.

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## Education Pres

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Economist Richard Vedder and a team of researchers at Ohio University examined thirty different factors for their impact on Ohio public school performance. They found that "the notion that reducing average class size will have meaningful impacts on student learning is, in general, not supported by the evidence." [6]

Despite findings like Hanushek's and Vedder's, policymakers continue to legislate class-size reduction. A recent law passed by the Ohio General Assembly mandated reducing class sizes for some districts down to a 15-to-1 student-teacher ratio. [7] But, because it requires the hiring of more teachers, class size reduction is one of the most expensive reforms a school can adopt—an odd step to take when schools are looking for ways to save money.

One of the problems with reforms like class-size reduction are that they ignore the public school system's underlying, noncompetitive structure. As Hanushek states, "nobody in today's schools has much of an incentive to improve student performance. Careers simply are not made on the basis of student outcomes." [8]

One reform that *does* address and improve upon the existing structure of public schools is gaining ground in Ohio and the nation: child-centered education or "CCE." [9]

CCE proposes that dollars follow students to the schools of their parents' choice. When parents are free to choose where their children are educated, schools will be encouraged to focus on the things that matter most. Nothing matters more to parents than academic performance.

In effect, child-centered education's emphasis on parental accountability and control ensures that education-related careers *would* be made on the basis of student outcomes. Instead of "thinking small" and reducing class sizes, Ohio's policymakers are better advised to think big and expand parental choice in education.

### Notes

[1] Eric A. Hanushek, *The Evidence on Class Size*, Occasional Paper Number 98-1 (Rochester, New York: W. Allen Wallis Institute of Political Economy, University of Rochester, February 1998).

[2] Although Ohio does not participate, the National Assessment of Educational Progress (NAEP) has been given in numerous states since 1970. Hanushek, p. 3.

[3] In fact, Hanushek's research found a positive, but statistically insignificant, relationship between more students per teacher and greater performance. Hanushek, p. 19.

[4] Hanushek, p. 25. Hanushek also challenges the much vaunted Tennessee, or STAR, study. "The inescapable conclusion is that the smaller classes at best matter in kindergarten." He continues: "The STAR data do not suggest that improvements will result from class size reductions at later grades." Hanushek, p. iv.

[5] Teacher-student ratio data were generated from the Ohio Department of Education web site, [http://www.ode.ohio.gov/www/ims/www\\_hist\\_vitals.html](http://www.ode.ohio.gov/www/ims/www_hist_vitals.html).

[6] Richard Vedder, Joshua Hall, and Michael Melander, *Determinants of Ohio Student Performance*, Working Paper (Athens, Ohio: Department of Economics, Ohio University, January 15, 1998), p. 15.

[7] Ohio General Assembly, Ohio House of Representatives, 122<sup>nd</sup> General Assembly, Am. Sub. H.B. 650.

[8] Hanushek, p. v.

[9] For a comprehensive child centered education plan for Ohio's schools, see *Children First: A Discussion Paper on Public School Finance and Education Reform in Ohio* (Dayton, Ohio: The Buckeye Institute

*Richard C. Leonardi, J.D., is a former president of The Buckeye Institute for Public Policy Solutions.*

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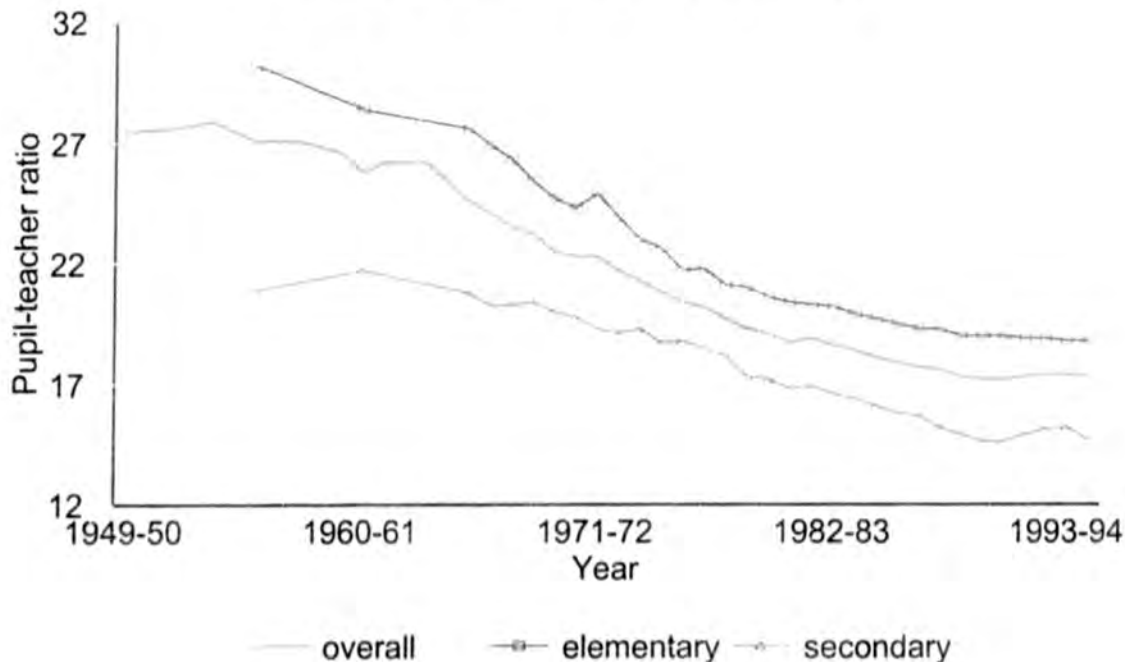
## 1. Basic Aggregate Data

It is common to hear it said that "it is not surprising that achievement is what it is, given the large classes that teachers must face." In reality it is just the history of added teachers without any commensurate increases in student achievement that makes a strong *prima facie* case about the ineffectiveness of class size policies.

There have been consistent and dramatic falls in pupil-teacher ratios over most of the 20<sup>th</sup> century. Figure 1 displays the pattern of pupil-teacher ratios for the period 1950-94. Over this period the overall pupil-teacher ratio fell 35 percent. This decline is the result of steady drops in the pupil-teacher ratio at both the elementary and the secondary school level. The obvious conclusion from this is that, if there is a problem of class size today, there must have been larger problems in the past.

**Figure 1. Pupil-Teacher Ratios**

Overall and elementary and secondary



reductions in pupil-teacher ratios shown in figure 1 do translate into strong effects on spending.

While instructional staff salaries and other spending moved together over the long period, it is also clear from figure 2 that nonsalary spending has grown more rapidly in the past two decades. Thus, the total growth in spending per pupil is not linked in any simple, mechanical way to pupil-teacher ratios, even though increased intensity of instructional staff obviously is an important element.<sup>2</sup>

The other component of the basic aggregate picture is the pattern of student performance. While we do not have representative student achievement data over the entire century, the National Assessment of Educational Progress (NAEP) does provide data since the 1970s.<sup>3</sup> Figures 3-5 display the patterns of NAEP scores in mathematics, science, and reading. These scores are provided for all 17-year-olds and for separate racial and ethnic groups. Three aspects stand out. First, overall performance is approximately the same in 1970 as it is in the mid-1990s. While some differences in patterns exist across the subject areas, the composite picture is one of flat scores over the quarter of a century covered by testing. Second, there has been some convergence of scores between whites and either blacks or Hispanics. For the period up to 1990, the average black-white gap across subject areas narrowed by 0.4 standard deviations (Hauser and Huang 1996), even though the differences remain substantial. Third, the convergence of scores by race and ethnic groups may have stopped during the 1990s. In

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school systems tended to keep the same numbers of teachers, leading to a decline in the pupil-teacher ratio. With the increase in student population, however, there was no tendency for the pupil-teacher ratio to increase. For just the 1980-90 period, increased intensity of teachers accounted for 34 percent of the growth in total instructional staff spending (Hanushek and Rivkin 1997).

<sup>2</sup>While no systematic analysis is available, it seems plausible that the increased intensity of instructional personnel is directly related to parallel increases in noninstructional personnel. At least a portion of the increase in other costs is undoubtedly attributable to various legal changes including mandates for special education (see below) and desegregation efforts.

<sup>3</sup>A longer time series can be constructed from the Scholastic Aptitude Test (SAT), although using those data introduces some added interpretive issues. The SAT actually fell dramatically from the mid-1960s until the end of the 1970s—suggesting that the achievement decline in the NAEP data neglects an earlier period of achievement fall off. The primary interpretive issue, however, revolves around the voluntary nature of the SAT and the increase in the proportion of high school seniors taking the test. The SAT is taken by a selective group of students who wish to enter competitive colleges and universities. As the proportion taking the test rises, so the hypothesis goes, an increasingly lower achieving group will be drawn into the test, leading to lower scores purely because of changes in test taking. While the exact magnitude of any such effects is uncertain, it seems clear that this change in selectivity has caused some of the SAT decline but not all of it (e.g., see Wirtz et al. 1977; Congressional Budget Office, 1986).

fact, since 1990 there has been a noticeable widening of the racial and ethnic achievement gaps not captured in the calculations above.

The challenge is to reconcile the data on pupil-teacher ratios and resources with the data on student outcomes. On the surface, they suggest that increases in the intensity of teachers and the commensurate increases in spending have had minimal effect on student achievement. But a variety of explanations have been suggested to explain how these data could arise for reasons other than the general ineffectiveness of reduced class size.

**Fig. 3--Mathematics Achievement (NAEP)**  
17-year-olds by race/ethnicity:1973-96

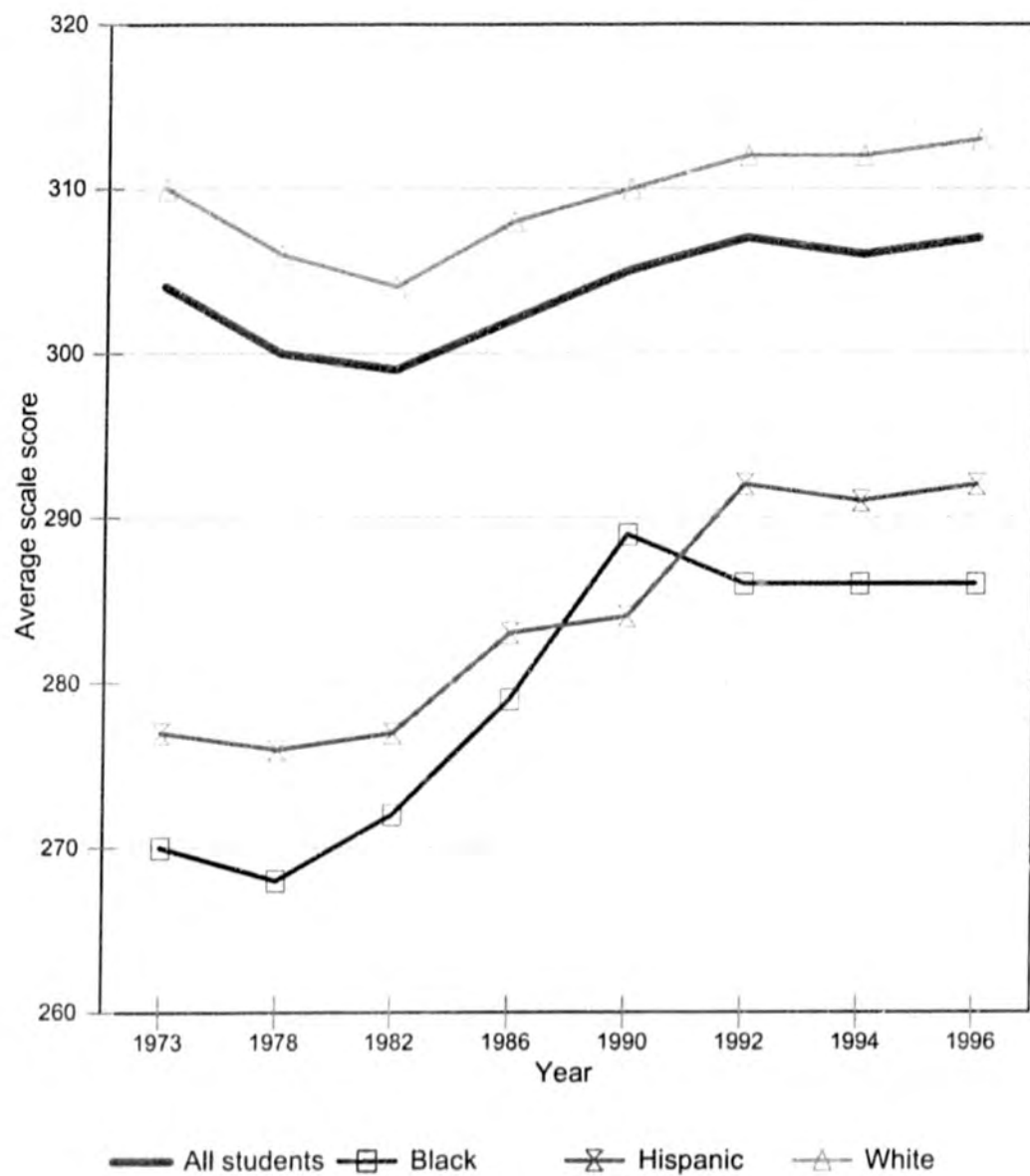


**Fig. 4--Science Achievement (NAEP)**  
17-year-olds by race/ethnicity:1970-96

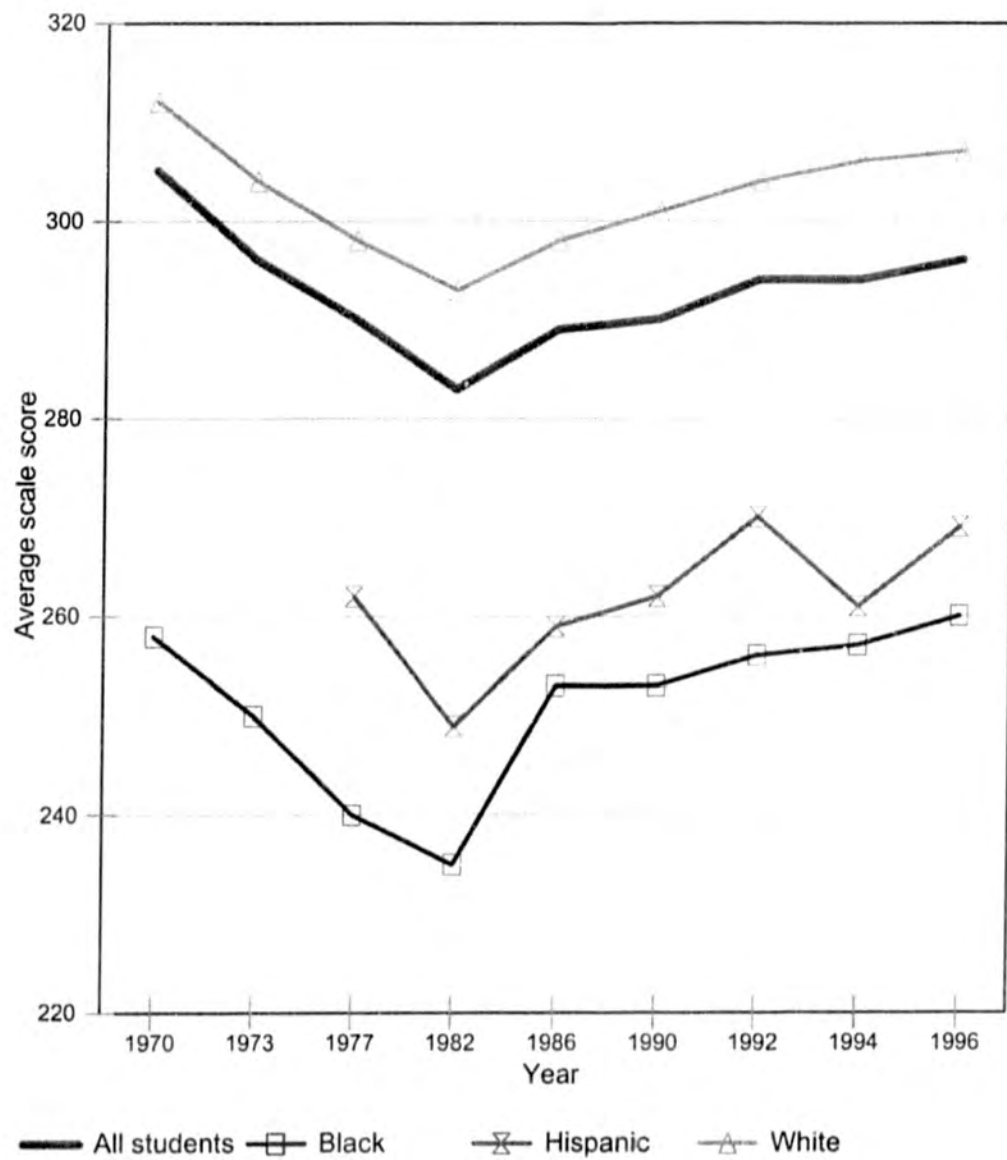


**Fig. 5--Reading Achievement (NAEP)**  
17-year-olds by race/ethnicity:1971-96

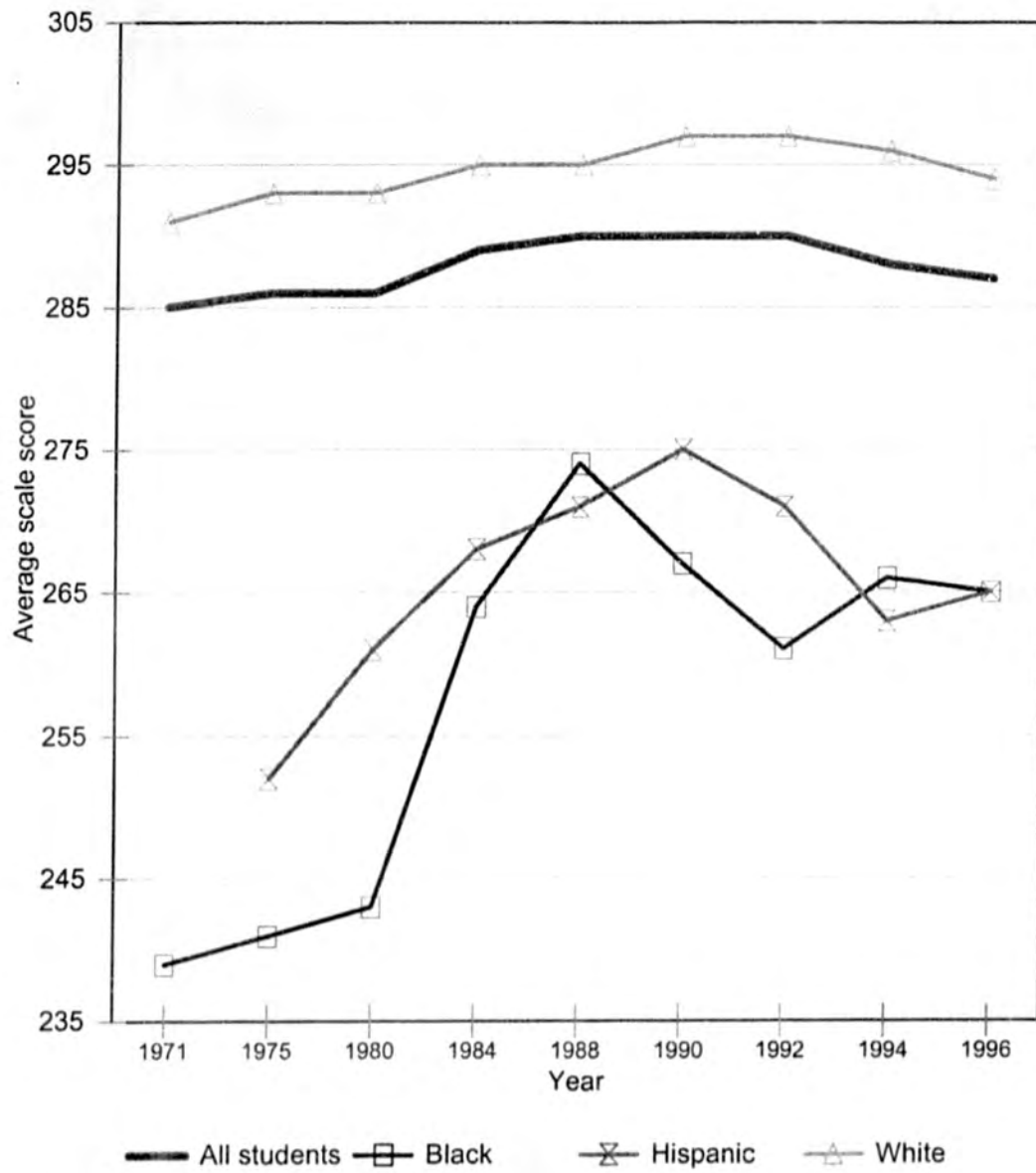


**Table 1. Changes in family characteristics, 1960-1990**

|                                                        | 1970 | 1980 | 1990 |
|--------------------------------------------------------|------|------|------|
| % children in poverty                                  | 14.9 | 17.9 | 19.9 |
| % children under 18 years old living with both parents | 85   | 77   | 73   |
| % high school graduate or more, population age 25-29   | 73.8 | 84.5 | 85.7 |
| % families with children with 3 or more children       | 36.3 | 22.9 | 20.1 |

Source: *U.S. Statistical Abstract, 1992*

#### A. Changes in the student population

One simple explanation for why added resources yield no apparent performance improvement is that students are more poorly prepared or motivated for school, requiring added resources just to stay even. To bolster this view, some point to the increases in children living in single-parent families and the related increases in child poverty rates—both of which are hypothesized to lead to lower student achievement. Table 1 displays these major changes. Between 1970 and 1990, children living in poverty families rose from 14.9 to 19.9 percent, while children living with both parents declined from 85 to 73 percent. But, there have also been other trends that appear to be positive forces on student achievement. As Table 1 also shows, family sizes have fallen, and parental education levels have improved. Over the same period, adults aged 25-29 with a high school or greater level of schooling went from 74 to 86 percent (up from 61 percent in 1960). Moreover, among all families with children, the percentage with three or more children fell from 36 to 20 percent.

It is difficult to know how to net out these opposing trends with any accuracy. Extensive research, beginning with the Coleman Report (Coleman et al. 1966) and continuing through today (Hanushek 1997), has demonstrated that differences in families are very important for student achievement. Most of these studies have not focused their primary attention on families, however, and thus have not delved very far into the measurement and structure of any family influences. Instead, it appears that most have been willing to employ whatever measure of family structure or socio-economic status

might be available. Mayer (1997) suggests that the direct causal impact of family income might be fairly small and that the past works have more identified associations than true causal impacts. This analysis, nonetheless, cannot conclusively indicate whether or not there have been trends in the underlying causal factors (that are correlated in cross-sections with income). Hanushek (1992) indicates that family size may have particularly powerful effects on achievement and indeed may be partly responsible for the narrowing in black-white achievement indicated in Figures 2-4, but again it is difficult to compare the influence of the various trends that have been identified.

Grissmer et al. (1994) attempts to sort out the various factors. That analysis uses econometric techniques to estimate how various family factors influence children's achievement. It then applies these cross-sectionally estimated regression coefficients as weights to the trended family background factors identified above. Their overall findings are that black students performed better over time than would be expected from the trends in black family factors. They attribute this better performance to improvements in schools. On the other hand, white students performed worse over time than would be expected, leading presumably to the opposite conclusion that schools for the majority of students actually got worse over time.

There are again reasons to be skeptical about these results. First, they do not observe or measure differences in schools but instead simply attribute unexplained residual differences in the predicted and observed trends to school factors. In reality any factor that affects achievement, that is unmeasured, and that has changed over their analysis period would be mixed with any school effects. Second, in estimating the cross-sectional models that provide the weights for the trending family factors, no direct measures of school inputs are included. In the standard analysis of misspecified econometric models, this omission will lead to biased estimates of the influence of family factors if school factors are correlated with the included family factors in the cross-sectional data that underlie their estimation. For example, better educated parents might systematically tend to place their children in better schools. In this simple example, a portion of the effects of schools will be incorrectly attributed to the education of parents.<sup>2</sup> Such biased estimates will lead to inappropriate weights for the trended family inputs and will limit the ability to infer anything about the true changes in student inputs over time. Third, one must believe either that the factors identified are the true causal influences (cf. Mayer 1997) or that they maintain a constant relationship with the true causal influences.

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<sup>2</sup>While it is sometimes possible to ascertain how such statistical misspecification affects the estimated results, the complications here – with multiple factors omitted from the modeling of achievement – make that impossible.

In sum, a variety of changes in family inputs has occurred over time, making it possible that a portion of the increased school resources has gone to offset adverse factors. The evidence is nonetheless quite inconclusive about even the direction of any trend effects, let alone the magnitude. At the same time, the only available quantitative estimates indicate that changing family effects are unable to offset the large observed changes in pupil-teacher ratios and school resources. Indeed, for the nation as a whole, these trends are estimated to have worked in the opposite direction, making the performance of schools appear better than it was. Thus, the most frequently given explanation for the perceived ineffectiveness of historic resource policies does not resolve the puzzle.

#### **B. Special Education and the Changing Structure of Schools**

The discussion until now has focused on pupil-teacher ratios, but pupil-teacher ratios are not the same as class sizes. These data on pupil-teacher ratios reflect the total number of teachers and the total number of students at anytime, not the utilization of these. Take a trivial example. Consider a district that only has two teachers, one of whom spends all day in class with the available students and the other of whom is department head and spends all day evaluating the lesson plans of the classroom teacher. In this case, the pupil-teacher ratio is half that of the class size seen by students. More to the point, if teachers are required to meet fewer classes during the day than the number of classes each student takes, the pupil-teacher ratio will again be less than the average class size. Thus, many people correctly note that typical class sizes observed in schools tend to be larger than the measured pupil-teacher ratio.

The only data that are available over time reflect pupil-teacher ratios. This situation is quite natural, because reporting on actual class sizes requires surveying individual districts about their assignment practices. It is not sufficient to have just the readily available data about numbers of teachers and students. Moreover, class sizes will be influenced by the range of choices given to students and the number of separate courses that individual students are taking. The conceptual ideal behind any measurement is itself not well defined because measuring the actual class sizes faced by students requires a variety of decisions about which classes to count and which not to count. For example, should physical education courses be counted? driver's education? and so forth. This discussion is not meant to imply that we would not like to have data about the varying aspects of schools that influence assignments and class sizes. It merely provides an explanation for why class size data have never been readily available.

Having described the differences, however, it remains to be seen how large the influence of any divergence of class size and pupil-teacher ratios might be on the

aggregate trends previously discussed. In order to influence the trends (as opposed to the observed level during any period), it must be the case that the relationship between pupil-teacher ratios and class sizes is changing over time. While this relationship could change for a variety of reasons from altered work days for teachers to expanded curricular offerings, one possible influence – the increased emphasis on special education – has received the most attention.

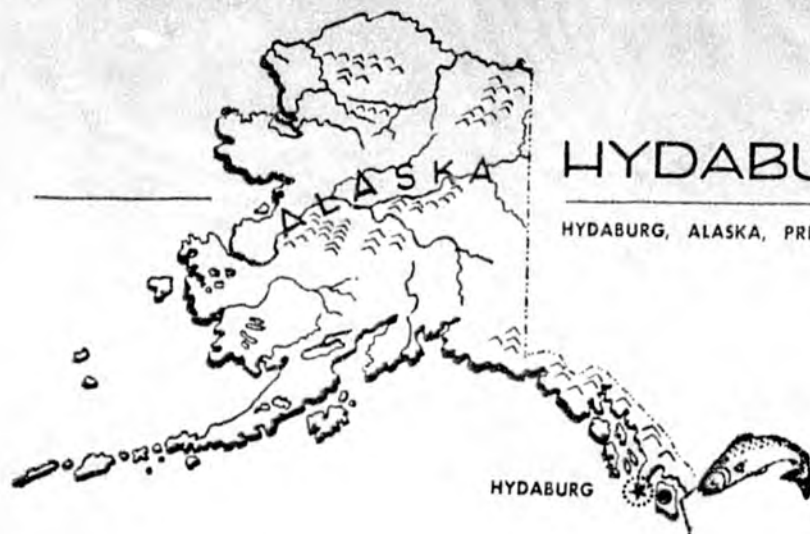
The growth in students with identified handicaps coupled with legal requirements for providing educational services for them has increased the size of the special education sector. Therefore, the expansion of the more staff-intensive special education sector could reduce the overall pupil-teacher ratio without commensurate decreases in regular class sizes. To the extent that mandated programming for handicapped students is driving the fall in the pupil-teacher ratio, regular class sizes may not be declining and, by extension, one might not expect any improvement in measured student performance. This section, which draws on the Hanushek and Rivkin (1997) analysis, provides a simple analysis of the potential importance of special education in explaining the pupil-teacher ratio fall and commensurate increase in educational expenditure.

Concerns about the education of children with both physical and mental disabilities were translated into federal law with the enactment of the Individuals With Disabilities Education Act (IDEA) in 1976.<sup>4</sup> This Act prescribed a series of diagnostics, counseling activities, and services to be provided for handicapped students. To implement this and subsequent laws and regulations, school systems expanded staff and programs, developing entirely new administrative structures in many cases. The general thrust of the educational services has been to provide regular classroom instruction where possible ("mainstreaming") along with specialized instruction to deal with specific needs. The existence of partial categorical funding from outside and of intensive instruction for individual students creates incentives for school systems to expand the population of identified special education students and incentives for parents to seek admission of their children into special education programs (see Hartman[1980], Monk[1990]). The result has been growth of students classified as special education students even as the total student population was falling.

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<sup>4</sup>While little evidence is available, it is frequently asserted that special education students are not generally included in tests and other measures of performance. Therefore, in assessing performance, it would be appropriate to link expenditure on regular-instruction students with their test performance. On the performance side, however, if a larger proportion of students are identified as special education and if these are generally students who would perform poorly on tests, the shift to increased special education over time should lead to general increases in test scores *ceteris paribus*.

<sup>4</sup>The Act, P.L. 94-142, was originally titled the Education for All Handicapped Children Act.



## HYDABURG CITY SCHOOL

HYDABURG, ALASKA, PRINCE OF WALES ISLAND 99922

February 13, 2006

Representative Eric Croft  
Alaska State Capitol  
Juneau, AK 99801

Dear Rep. Croft

We fully support HB 247 – Time To Teach Act. It would definitely help Hydaburg City School District provide a greater opportunity for our students to get a better foundation for their education.

The district would have the opportunity to keep classes at a level best for learning, with hiring of additional staff.

It is our hope that you will be successful in the passing of HB 247. If we can be of help in this please feel free to give us a call.

Sincerely,

  
Bill Raduenz  
Superintendent



# NEA-ALASKA

*Affiliated with the National Education Association*

**TESTIMONY ON HB 247**  
**HOUSE SPECIAL COMMITTEE on EDUCATION**      **MAY 3, 2005**  
**BILL BJORK, PRESIDENT, NEA-ALASKA**

Good evening, Chair Neuman and members of the House Special Committee on Education. My name is Bill Bjork and I serve as the elected President for the 12,500 public school employees of NEA-Alaska.

I appreciate the opportunity to speak with the committee about HB 247. The #1 factor in student achievement is a qualified teacher in every classroom. The #1 toll for the educator is small class size. Research on the affect of small class size on student achievement has become very clear over the past two decades. The study that led the way to the convincing results is Tennessee's Student/Teacher Achievement Ratio (STAR) project conducted in 1985-1989. NEA-Alaska's letter of support contains a summary of the results.

Let me refer to a study closer to home. In 1993-1996 the "Class Size Reduction Project" was conducted by the University of Alaska Anchorage in four participating elementary schools: one in Juneau and three in Kenai. The project was designed to assess the effectiveness of reduced class size on student achievement and attitude. Significant findings included:

- Student attitude toward learning and school was reported as positive over 90% of the time at all schools during the three years of the project;
- Classroom climate and behavior improved at all participating schools during periods of lower class size;
- Academic achievement improved as a result of reduced class size and instructional innovations; and
- Teachers overwhelmingly reported that small group instruction and challenging learning experiences improved students' self-esteem and attitudes toward school.

Therefore, NEA-Alaska supports HB 247. It allows an individual school to adopt and implement a small class size policy, record the affects on student achievement and report those results to the public. It provides the resources to a school to utilize small class size and, thus, address student achievement in a manner that could reap benefits for several years of each child's education. It also provides an accountability measure that could reap the benefit of public support. Taxpayers will be able to observe the results of the investment in a measurable way.

HB 247 deserves your support for what it does not do. It does not mandate that a school district do this in every school. It allows each school to decide if this is a tool they wish to utilize. It is local control at its best.

I urge your support of HB 247. I appreciate your time and I would be happy to attempt to answer questions.



# NEA-ALASKA

*Affiliated with the National Education Association*

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HOUSE SPECIAL COMMITTEE on EDUCATION  
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# FISCAL NOTE

**STATE OF ALASKA**  
**2006 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_

Bill Version: \_\_\_\_\_

HB 247

( ) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_

Title An Act establishing a grant program to support  
voluntary class size reduction.

Dept. Affected: Education & Early Development

RDU K-12 Support

Component Foundation Program

Sponsor Representative Croft

Requester Health, Education & Social Services

Component No. 141

## Expenditures/Revenues

(Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

| OPERATING EXPENDITURES | FY 2007          | FY 2008          | FY 2009  | FY 2010  | FY 2011  | FY 2012  |
|------------------------|------------------|------------------|----------|----------|----------|----------|
| Personal Services      |                  |                  |          |          |          |          |
| Travel                 |                  |                  |          |          |          |          |
| Contractual            |                  |                  |          |          |          |          |
| Supplies               |                  |                  |          |          |          |          |
| Equipment              |                  |                  |          |          |          |          |
| Land & Structures      |                  |                  |          |          |          |          |
| Grants & Claims        | 120,239.1        | 128,980.9        | *        | *        | *        | *        |
| Miscellaneous          |                  |                  |          |          |          |          |
| <b>TOTAL OPERATING</b> | <b>120,239.1</b> | <b>128,980.9</b> | <b>*</b> | <b>*</b> | <b>*</b> | <b>*</b> |

|                             |  |  |  |  |  |  |
|-----------------------------|--|--|--|--|--|--|
| <b>CAPITAL EXPENDITURES</b> |  |  |  |  |  |  |
|-----------------------------|--|--|--|--|--|--|

|                               |  |  |  |  |  |  |
|-------------------------------|--|--|--|--|--|--|
| <b>CHANGE IN REVENUES ( )</b> |  |  |  |  |  |  |
|-------------------------------|--|--|--|--|--|--|

## FUND SOURCE

(Thousands of Dollars)

|                                         |                  |                  |          |          |          |          |
|-----------------------------------------|------------------|------------------|----------|----------|----------|----------|
| 1002 Federal Receipts                   |                  |                  |          |          |          |          |
| 1003 GF Match                           |                  |                  |          |          |          |          |
| 1004 GF                                 | 120,239.1        | 128,980.9        | *        | *        | *        | *        |
| 1005 GF/Program Receipts                |                  |                  |          |          |          |          |
| 1037 GF/Mental Health                   |                  |                  |          |          |          |          |
| Other (Specify Type--Do not abbreviate) |                  |                  |          |          |          |          |
| <b>TOTAL</b>                            | <b>120,239.1</b> | <b>128,980.9</b> | <b>*</b> | <b>*</b> | <b>*</b> | <b>*</b> |

Estimate of any current year (FY2006) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal: ☐

## POSITIONS

|           |  |  |  |  |  |  |
|-----------|--|--|--|--|--|--|
| Full-time |  |  |  |  |  |  |
| Part-time |  |  |  |  |  |  |
| Temporary |  |  |  |  |  |  |

## ANALYSIS: (Attach a separate page if necessary)

This legislation would establish a grant to provide additional funding above the base student allocation of \$4,919 up to \$8,000. In order to qualify for the grant a school must keep their class size for Kindergarten through 3rd grade at no more than 15 students per classroom.

Requirements are as follows: a 15:1 PTR is maintained over a 5 year period; a study is completed on the academic progress; and a comparative analysis of the progress and outcome of these student's achievement. This fiscal note assumes all school will qualify for the grant.

The department will annually increase the \$8,000 based on the Anchorage Consumer Price Index as determined by the Department of Labor.

[The FY08 projection is based on an average increase of the CPI-U over the last 3 years.]

Prepared by: Eddy Jeans, Director

Division School Finance

Phone 465-8679

Date/Time 3/13/06 1:49 PM

Approved by: Roger Sampson, Commissioner

Agency Education & Early Development

Date 03/13/2006

Rep Neuman

This article address' legislation filed by Eric Croft and is now in your Committee. It points out potential problems that would arise should the legislature decide to grant any monies to districts that shrink pupil-teacher ratio in a classroom.



[Click here to return to the original story](#)

## Croft's bill offers incentives to schools with small classes

Legislation would cost \$150 million a year if all districts cut class sizes

Rep. Eric Croft wants the state to give more money to schools that reduce class sizes to 15 or fewer students.

House Bill 247, introduced this week, would apply to grades kindergarten through three.

Schools would have to agree to keep class sizes that small for five years so the effect on student achievement could be studied.

The bill proposes funding students in those small classes at \$8,000 each. The current base allocation is \$4,576.

"I want teachers to have time to teach," Croft, D-Anchorage, said. "When you have 25 first-graders, you're a traffic cop. You're wiping noses and putting on 25 pairs of boots. When you have 15 students in your class, you can actually teach."

Dave Newton, principal at Auke Bay Elementary in Juneau, said the bill was a good idea as long as the additional funding was guaranteed over time.

At first glance, the new funding would be more than enough to hire teachers and add more specialists to cover the new teachers' preparation time.

But it's not clear if schools would have enough classrooms, and whether the new funding would cover all of the operating costs of new schools, if they were needed.

For example, the bill would allow three classrooms of 25 students to become five classrooms of 15 students.

Over an entire district, such as Juneau, that sort of transformation would mean hiring many new teachers and finding a lot of space.

At Auke Bay Elementary, 10 current classrooms for kindergarten through

grade three, which have 22 to 30 kids in them, could become 17 classrooms of 15 or fewer children.

"The district probably would have to maximize the existing spaces in buildings, which may include bringing in portables until additional schools would be built," Newton said.

"If you want smaller classes, you have to find the space and you have to find the teachers," said Joan McRobbie, a senior policy associate at WestEd, a regional nonprofit that studies education.

Some states that mandated smaller classes blunted the benefits by hiring inexperienced teachers, she said.

In some cases, states didn't give enough money to cover all of the new costs, including adding to facilities, McRobbie said.

In California, which mandated smaller classes in early grades but didn't fully fund them, schools increased classes in the intermediate grades, Newton said.

"We wanted to encourage rather than mandate, and we wanted to provide maximum flexibility," Croft said.

Croft expects that if the bill becomes law, school districts would phase in smaller classes over time. Districts would have enough time to plan new facilities and seek state help with construction costs, just as they do now, he said.

The state hasn't studied the fiscal effects of Croft's bill, which hasn't had a hearing yet. But Croft said it could cost \$150 million a year if every school district implemented it.

"That's big but that's about what we have increased the education money by over the last two years," he said. "It's not off-the-charts fantasy."

Still, the House is stuck this session at raising school funding by about \$70 million, and the Senate agreed to only \$32 million, pending resolution of retirement fund issues.

Rep. Jim Holm, R-Fairbanks, introduced a bill last month that would mandate class sizes of 20 or fewer in kindergarten through grade three. House Bill 228 also hasn't had a hearing.

Click here to return to story:

[http://juneauempire.com/stories/040805/sta\\_20050408005.shtml](http://juneauempire.com/stories/040805/sta_20050408005.shtml)

**SCOMM**

**137:27**

# LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES  
LEGISLATIVE AFFAIRS AGENCY  
STATE OF ALASKA

(907) 465-3867 or 465-2450  
FAX (907) 465-2029  
Mail Stop 3101

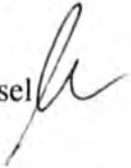
State Capitol  
Juneau, Alaska 99801-1182  
Deliveries to: 129 6th St., Rm. 329

## MEMORANDUM

January 18, 2006

**SUBJECT:** Public Correspondence Program Curriculum (HB 267,  
(Work Order No. 24-LS0881\A))

**TO:** Representative Mark Neuman  
Attn: Beth Schnieder

**FROM:** Jean M. Mischel  
Legislative Counsel 

You have requested a sectional summary of the above-described bill.

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

**Section 1.** Provides a cross reference to section 2 of the bill.

**Section 2.** Authorizes credit in a public correspondence program for completion of curriculum using materials purchased with private funds from a religious institution if the materials are otherwise aligned with state performance standards.

JMM:ljw  
06-016.ljw

**SCOMM**

**137:28**

# ALASKA STATE LEGISLATURE



REPRESENTATIVE LES GARA

## MEMORANDUM

DATE: January 27, 2006

TO: Rep. Mark Neuman, Chair  
House Special Committee on Education

FROM: Rep. Les Gara

RE: Hearing Request for SSHB 332, Parental Involvement



I respectfully request that Sponsor Substitute House Bill 332 relating to parental involvement be scheduled for a hearing in the House Special Committee on Education. Please feel free to contact me, or my aide Darcy Dugan, with questions or thoughts at 465-4955.

Attached you will find a background packet for SSHB 332. This includes the current version of the bill, a sponsor's statement, and backup materials.

Thank you for your consideration.

# ALASKA STATE LEGISLATURE



REPRESENTATIVE LES GARA

## SSHB 332: Parental Involvement

### Sponsor Statement

Evidence shows children are more successful in school when their parents are actively involved with their education. Communication between parents and teachers is a critical link, especially for children who need additional help not always available in large classrooms.

One research report published in 2002 analyzed 51 studies across the nation that examined the impact of school, family, and community connections on student achievement. The report showed, "these studies found a positive and convincing relationship between family involvement and benefits for students, including improved academic achievement. This relationship holds across families of all economic, racial/ethnic, and educational backgrounds and for students at all ages."

There is firm local support for increased parental involvement in Alaska. According to Carol Comeau, Superintendent of the Anchorage School District, "We all know that when parents and family members are actively engaged in a child's education, that the child has a better change of being successful academically, socially, and emotionally in their educational experiences."

HB332 establishes parental involvement coordinators in public schools to help bridge the gap between parents and teachers. These coordinators would help teachers establish contact with parents and facilitate relationships and communication pathways to better assist the needs of the child. Each school district would have one coordinator for each 500 students in the district or one coordinator per school, whichever is greater. Two administrators would also be housed in the administrative office of the school district to help run the program.

HB332 creates a "Resource Revenue for Kids" account in the general fund to finance the parental involvement program. Money for the account would be generated by implementing a 0.5% increase in the corporate income tax on oil companies. With oil prices currently around \$60 per barrel, these companies are recording staggering windfall profit margins of over 40%. According to Department of Revenue FY05 data, the proposed 0.5% tax would generate \$22.2 million at an oil price of \$43 per barrel (the FY05 average price).

---

**From:** Comeau\_Carol [Comeau\_Carol@asdk12.org]  
**Sent:** Thursday, December 29, 2005 8:55 AM  
**To:** Rep. Les Gara  
**Cc:** Comeau\_Carol; Wiget\_Larry  
**Subject:** comments regarding Parent Involvement Bill

Les,

i am strongly supportive of your efforts to add funding for schools to be able to hire a Parent Advocate for their school needs. We all know that when parents and family members are actively engaged in a child's education, that the child has a better chance of being successful academically, socially, and emotionally in their educational experiences. As we have become increasingly diverse in our community and in our schools, each school is challenged and required to develop outreach plans to engage parents. Our teachers and school administrators do not have the time, and in some cases, the expertise, to develop these parental involvement plans and outreach programs. I believe that a parent advocate, working collaboratively with the school staff, students, parent groups, and parents and business partners and community leaders, would be a key component in developing these parent involvement plans and in getting out into the various cultural, religious, and ethnic communities who are part of a school's community.

I appreciate you taking the initiative in developing this important legislation.  
Carol

# LEGISLATIVE RESEARCH REPORT

DECEMBER 16, 2005



REPORT NUMBER 06.021

## HOME VISITS BY SCHOOL COUNSELORS

PREPARED FOR REPRESENTATIVE LES GARA

BY ROGER WITHINGTON, LEGISLATIVE ANALYST

You asked for information on home visits by school counselors in Alaska. Specifically, you wished to know if any of the large school districts (Anchorage, Fairbanks, and Juneau) in Alaska employ counselors who make home visits to provide services or to encourage parents to be more involved in the education of their children.

According to Coney Danitz, Education Specialist II with the Alaska Department of Education and Early Development (DEED), not all school districts in Alaska employ school counselors, and, for those that do, the job description for school counselors will vary from district to district and may even differ from school to school. As examples, she explains that in some schools the counselor has only career guidance and testing responsibilities, while in other schools counselors may work in a mental health capacity. Ms. Danitz notes some counselors might make home visits, but the DEED does not maintain information specific to the policies of each school district.<sup>1</sup>

We contacted the Anchorage School District, the Fairbanks North Star Borough School District, the Juneau School District, the Matanuska-Susitna Borough School District, and the Kenai Peninsula Borough School District for this information. In Table 1, we summarize the responses we received from each district; more detailed responses from each district follow Table 1.

<sup>1</sup> Ms. Danitz can be contacted at 907-465-8681.

**Table 1: Home Visits by Counselors for Selected Alaska School Districts**

| District                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Do Counselors Make Home Visits? | Does the District Have a Policy or Regulation Regarding Home Visits by Counselors? |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|------------------------------------------------------------------------------------|
| Anchorage School District-Elementary Schools <sup>(a)</sup>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Yes                             | No                                                                                 |
| Anchorage School District-Middle Schools <sup>(b)</sup>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Yes                             | No                                                                                 |
| Anchorage School District-High Schools <sup>(c)</sup>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | No                              | No                                                                                 |
| Fairbanks North Star Borough School District <sup>(d)</sup>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Yes                             | No                                                                                 |
| Juneau School District <sup>(e)</sup>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Yes                             | No                                                                                 |
| Kenai Peninsula Borough School District <sup>(f)</sup>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | No                              | No                                                                                 |
| Matanuska-Susitna Borough School District <sup>(g)</sup>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | No                              | No                                                                                 |
| <b>Notes</b> (a) Patricia McRae, Executive Director of Elementary Education, Anchorage School District, 907-742-4254. Ms. McRae notes that there are 60 elementary schools within the Anchorage district, but only 20 employ counselors.<br><b>Sources:</b> (b) Larry Wiget, Ed.D., Director of Government Relations, Anchorage School District, 907-742-4322.<br>(c) Mike Henry, Executive Director of High School Education, Anchorage School District, 907-742-4256.<br>(d) Dr. Nick Stayrook, Chief Information Services Officer, Fairbanks North Star Borough School District, 907-452-2000 x 367.<br>(e) Lou Kustin, Director of Student Services, Juneau School District, 907-523-1753<br>(f) Sean Dusek, Secondary Education Director, Kenai Peninsula Borough School District, 907-714-8884.<br>(g) Kris Forrester, Director of Career and Technical Education, Matanuska-Susitna Borough School District, 907-746-9238. |                                 |                                                                                    |

In the Anchorage School District, school counselors have different roles depending on where they work. As a result, oversight of the counseling services in the district is distributed among the directors of Elementary Education, Middle School Education, and High School Education.

According to Patricia McRae, Executive Director of Elementary Education for the Anchorage School District, elementary school counselors do make home visits as part of their job, and there is no written policy or regulation that pertains to home visits by elementary school counselors.<sup>2</sup> She also reports that there are 60 elementary schools within the Anchorage district, but only 20 employ counselors. Ms. McRae notes that the district has a special program—Creating Successful Futures—available in some elementary schools that provides counseling services in specific circumstances.

According to Larry Wiget, Director of Government Relations for the Anchorage School District, middle school counselors will make home visits if necessary. Mr. Wiget also reports that there are no policies or regulations pertaining to home visits.<sup>3</sup>

According to Mike Henry, Executive Director of High School Education for the Anchorage School District, although the district has no policy or regulation that restricts counselors from making

<sup>2</sup> Patricia McRae, Executive Director of Elementary Education for the Anchorage School District, can be contacted at 907-742-4254.

<sup>3</sup> Larry Wiget, Ed.D., Director of Government Relations for the Anchorage School District, can be contacted at 907-742-4322.

home visits, high school counselors do not make home visits. Mr. Henry notes that the district has some special programs (Cook Inlet Tribal Council-Partners Program) in some high schools that hire family advocates to make home visits and to encourage parents to be more involved in their children's education.<sup>4</sup>

According to Dr. Nick Stayrook, Chief Information Services Officer for the Fairbanks North Star Borough School District, school counselors will make a home visit if it is necessary to make contact with the student's parents.<sup>5</sup> He notes that this occurs infrequently. Dr. Stayrook reports that the district does not have a written regulation or policy regarding home visits by counselors.

Lou Kustin, Director of Student Services for the Juneau School District, reports that school counselors are not required to make home visits, but they may if they deem it necessary.<sup>6</sup> Typically, counselors in the Juneau School District encourage parents to be involved in their children's education through phone contact, letters, and email as well as through the school newsletter. Mr. Kustin also notes that the district does not have a written regulation or policy regarding home visits by counselors.

Sean Dusek, Secondary Education Director with the Kenai Peninsula Borough School District, reports that school counselors do not make home visits, and there is no written policy or regulation that pertains to home visits by school counselors in the Kenai District.<sup>7</sup>

Kris Forrester, Director of Career and Technical Education, reports that counselors do not make home visits in the Matanuska-Susitna Borough School District.<sup>8</sup> Ms. Forrester also reports that the district has no policy or regulation pertaining to home visits by counselors.

---

I hope you find this information to be useful. Please do not hesitate to contact us if you have questions or need additional information.

---

<sup>4</sup> Mike Henry, Executive Director of High School Education for the Anchorage School District, can be contacted at 907-742-4256.

<sup>5</sup> Dr. Nick Stayrook, Chief Information Services Officer for the Fairbanks North Star Borough School District, can be contacted at 907-452-2000 x 367.

<sup>6</sup> Lou Kustin, Director of Student Services for the Juneau School District, can be contacted at 907-523-1753.

<sup>7</sup> Sean Dusek, Secondary Education Director with the Kenai Peninsula Borough School District, can be contacted at 907-714-8884.

<sup>8</sup> Kris Forrester, Director of Career and Technical Education for the Matanuska-Susitna Borough School District, can be contacted at 907-746-9238.

Alaska State Legislature  
House of Representatives

Session address:  
Alaska State Capitol  
Juneau, Alaska 99801-1182  
1-888-465-2647 (toll free)  
1-907-465-3518 (fax)

Interim address:  
716 West 4th Avenue  
Anchorage, Alaska 99501-2133  
1-907-269-0106  
1-907-269-0109 (fax)

Representative Les Gara

Thank -

This answers the

Dedicated Fund question

you said you wanted research

be for hearing our education bills.

Hope you can hear them now. Thanks

They are

HB 332  
HB 333  
HB 340

- Les

# LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES  
LEGISLATIVE AFFAIRS AGENCY  
STATE OF ALASKA

(907) 465-3867 or 465-2450  
FAX (907) 465-2029  
Mail Stop 3101

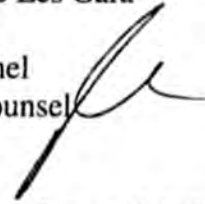
State Capitol  
Juneau, Alaska 99801-1182  
Deliveries to: 129 6th St., Rm. 329

## MEMORANDUM

February 2, 2006

**SUBJECT:** Dedicated Funds (HB 332, 333, and 340)

**TO:** Representative Les Gara

**FROM:** Jean M. Mischel  
Legislative Counsel 

You have asked whether the above referenced bills create dedicated funds. Based on existing precedent, it is likely that a court would find that each of the bills do not create a dedicated fund. However, adding language to the fund provisions may make them less susceptible to challenge. HB 332 and 340 have been drafted to avoid the creation of a dedicated fund by making the use of the funds established discretionary, and not mandatory, for the purposes cited in the bills. HB 333, because of its structure, may be more susceptible to challenge as a dedicated fund, although it was drafted to avoid that.

With respect to HB 332 and 340 you may wish to include an additional provision, recommended in the drafting manual, that states simply that the fund created in the bill is not a dedicated fund. This may help clarify the issue if there is any confusion as to legislative intent. Those bills already incorporate the drafting manual's other two recommendations for avoiding a dedicated fund challenge: (1) a statement that the fund or account is created in the general fund, and (2) that the legislature "may appropriate" the money to a specified purpose. You may also wish to add the phrase "or to some other public purpose" to HB 340 at page 2, line 8.

For HB 333, the issue is less clear in that the fund has a unique structure and may not be part of the general fund at all. The fund consists of appropriations for distributions to school districts to support approved pre-elementary schools. While nothing in the bill requires an appropriation to the fund, the lack of the additional language, expressly allowing for appropriation of the additional tax revenue for some other public purpose, may cause ambiguity. On the other hand, the structure of this fund is much like the recently revised public education fund under AS 14.17.300.

If you would like further drafting done on these bills, let me know.

JMM:med:lmb:ljw  
06-084.med

# STATE OF ALASKA

## DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

FRANK H. MURKOWSKI,  
GOVERNOR

P.O. BOX 110300  
JUNEAU, ALASKA 99811-0300  
PHONE: (907) 465-3600  
FAX: (907) 465-2075

March 23, 2005

The Honorable Frank H. Murkowski  
Governor  
State of Alaska  
P. O. Box 110001  
Juneau, Alaska 99811-0001

Re: HB 158 -- relating to the public school  
account and renaming the public school  
account as the public education fund  
Our file: 883-05-0005

Dear Governor Murkowski:

At the request of your legislative director, the Department of Law has reviewed HB 158 relating to the public school account and renaming it "the public education fund." The purpose of HB 158 is to create a special fund that does not lapse at the end of a fiscal year.

### Section by Section:

Section 1 of the bill amends AS 14.17.300 by changing the name of the account, as noted, to the "public education account." Amendments to AS 14.17.300(a) add appropriations for pupil transportation to appropriations for school districts, boarding schools, and centralized correspondence study, as the sources of the fund. Amendments to subsec. (b) add language providing that (1) money appropriated to the fund may be expended without further appropriation, (2) money appropriated to the fund does not lapse, and (3) interest earned on money in the fund may be appropriated to the fund by the legislature.

Section 2 rewords AS 14.17.400(b) to reflect that it is money appropriated to the fund rather than money in the fund that will determine the basis for prorating school districts' basic need when there is not a sufficient balance to meet the need, and reflects the fund's name change.

Sections 3, 4, and 5 amend AS 14.17.430, 14.17.440(a), and 14.17.610(b) to reflect the fund's name change.

Section 6 amends AS 14.17.900(b) in conformity with the amendments made in sec. 1 of the bill.

Section 7 of the bill provides an immediate effective date.

#### Legal Issues Presented by the Bill

Two issues are raised by the bill: whether amounts deposited in the fund under this statute are considered expendable without further action so that they are not considered available for appropriation for purposes of applying the formulas set out in sec. 17(b) and (d) of the constitutional budget reserve fund (art. IX, sec. 17(b) and (d) of the Alaska Constitution), and whether the non-lapse provisions offend the dedicated fund provisions of art. IX, sec. 7 of the Alaska Constitution.

The testimony before the House Finance Committee raised an issue about the money appropriated to the fund being available for appropriation elsewhere. House Fin. Comm., February 23, 2005, hearing (*remarks of Pete Ecklund, staff to Rep. Meyer*). This would indeed raise the question addressed in *Hickel v. Cowper*, whether the funds remained available for appropriation and thus subject to the requirements of art. IX, sec. 17 of the Alaska Constitution. However, the text of the bill clearly indicates that the fund would be distributed in accordance with existing statutes, and that no further appropriation would be required. Thus only the fund's interest is available for annual appropriation and would be subject to deposit in the constitutional reserve fund. HB 158, sec. 1, proposed amendments to AS 14.17.300. *Hickel v. Cowper*, 874 P.2d 922 (Alaska 1994) (funds that do not require further legislative action before expenditure are not "available for appropriation" under art. IX, sec. 17; available does not mean "accessible by any means.")<sup>1</sup>

A provision in the bill indicating that the fund does not lapse may raise an issue as to whether the fund is a prohibited dedicated fund under art. IX, sec. 7 of the Alaska Constitution. The fact that the balance of the fund is derived from appropriations would tend to relieve any doubt that it is not a dedicated fund. It is not unusual to create a statutory fund from which administrators can spend without further appropriation. The

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<sup>1</sup> It should be noted that the court did not express an opinion about whether a fund that required no further appropriation for expenditure but that contained sums in excess of what was needed was subject to inclusion in the budget reserve. *Cowper v. Hickel*, 874 P.2d 934, n.27.

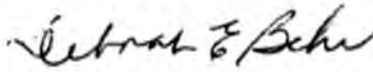
legislative history indicates that those testifying particularly wished to avoid the placement of the fund in the general fund because of the requirement that surplus money in the general fund must be swept into the budget reserve fund at the end of each fiscal year, but expressly declared that they had no intention of creating a prohibited dedicated fund. House Fin. Comm., February 23, 2005, hearing (*remarks of Pete Ecklund, staff to Rep. Meyer; Rep. Hawker*). However, the fact that the fund is not immediately available for appropriation under art. IX, sec. 17, does not mean that it is completely inaccessible to the legislature, in that nothing precludes the executive branch from requesting that the balance of the fund be reappropriated, or that it not accessible at all from future action of the legislature. *Hickel v. Cowper*, 874 P.2d 922, 926 n.8 (Alaska 1994).

We thus suggest that the bill avoids the constitutional dedicated fund prohibition.

Conclusion

We find no significant constitutional or other legal concerns with the bill.

Sincerely,

  
fr Scott J. Nordstrand  
Acting Attorney General

SJN:KJS:rca

## Moira Sullivan

---

**From:** Kathleen Strasbaugh [Kathleen\_Strasbaugh@law.state.ak.us]  
**Sent:** Thursday, February 02, 2006 11:41 AM  
**To:** Rep. Mark Neuman  
**Cc:** David Marquez; Randy Ruaro; Shana Valente  
**Subject:** Dedicated fund issues and HB 332, HB 333, and HB 340

As I discussed with you yesterday, we do not see a dedicated funds problem under Article IX, Section 7 of the Alaska Constitution with section 2 of HB 332, section 1, proposed Sec. 14.43.455, of HB 340, or section 4, proposed 14.38.210 of HB 333, all of which create accounts in the general fund. I left the bill review of last year's HB 158 with you as it discusses applicable legal issues. I said I would get back to you on the provisions related to the separate accounting for the tax revenue raised in these bills in the funds created by them. I conferred with others here at the Department of Law, and have reviewed the sections in question. These sections, sec. 3 of HB 332, sec. 5 of HB 333, and sec. 2 of HB 340, do not require that the tax proceeds be appropriated to the funds, but only accounted for in them. Since the revenues raised by these are available for appropriation, these sections do not implicate art. IX, sec. 7.

Kathleen Strasbaugh, Assistant Attorney General  
Alaska Department of Law  
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**SCOMM**

**137:29**

# ALASKA STATE LEGISLATURE

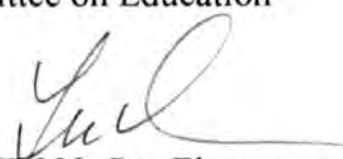


REPRESENTATIVE LES GARA

## MEMORANDUM

DATE: January 24, 2006

TO: Rep. Mark Neuman, Chair  
House Special Committee on Education

FROM: Rep. Les Gara 

RE: Hearing Request for HB333, Pre-Elementary School Standards

I respectfully request that House Bill 333, "An act relating to the regulation and funding of pre-elementary schools; and establishing a supplemental income tax on oil to support pre-elementary schools" be scheduled for a hearing in the House Special Committee on Education. Please feel free to contact me, or my aide Darcy Dugan, with questions or thoughts at 465-2647.

Attached you will find a background packet for HB333. This includes the current version of the bill, a sponsor's statement, and backup materials.

Thank you for your consideration.

# ALASKA STATE LEGISLATURE



REPRESENTATIVE LES GARA

## **HB 333: Alaska Universal Voluntary Preschool Act**

### **Sponsor Statement**

Extensive research shows that a child's intellectual development is especially important before age six. A study by the National Institute for Early Education Research in 2004 found that children who attended state-funded pre-Kindergarten programs demonstrated improvements in vocabulary 31% greater than those who did not participate, and 44% greater in math.

Alaska has a responsibility to provide the best education possible to its youth. However, as of 2003, we were one of 12 states that did not provide state funding outside of the Head Start program for pre- Kindergarten early education. Our Head Start program has consistently lagged far behind its need. Providing early public education opportunities is a crucial stepping stone to brightening the future of young Alaskans.

House Bill 333 provides grant funds to expand the availability of early educational opportunities to parents who choose to enroll their children in pre-Kindergarten education. The funds would be administered to school districts that provide preschool education. The program would be free to families. The bill also allows school districts to collaborate with existing preschool programs as long as they meet the standards set out by the Department of Education.

HB333 allows the Department of Education to establish the standards a preschool must meet in order to receive state funding. These standards would include, at a minimum, that the teacher to student ratio be no more than 10 students per teacher, that the preschool provide at least 4 hours of instruction per day and certification requirements for becoming a preschool teacher.

Under HB333, money for the preschool program would be generated by implementing a 2.5% increase in the corporate income tax on oil companies. With oil prices currently around \$60 per barrel, these companies are recording staggering windfall profit margins over 40%. According to Department of Revenue FY05 data, the proposed 2.5% tax would generate \$111 million when the price of oil averaged \$43.44/barrel. It is incumbent on the state to use its natural resources for the benefit of the next generation, not just those companies that take our great wealth from this state for their shareholders.

# ALASKA STATE LEGISLATURE



REPRESENTATIVE LES GARA

## HB 333: Alaska Universal Voluntary Preschool Act

### Sectional Analysis

#### Section 1.

Creates a short title: Alaska Universal Voluntary Preschool Act

#### Section 2.

Allows the Department of Education and Early Development to set pre-elementary school standards including, at a minimum, student-teacher ratios and pre-elementary teacher requirements.

#### Section 3.

Defines a pre-elementary school as a school for children age 4-5.

#### Section 4.

Establishes how a school district may create and approve preschools. The preschools must be certified by the state Dept. of Education and Early Development, have a sufficient number of certified teachers, offer at least 4 hours of instruction per day and have an age-appropriate curriculum. This section also allows school districts to contract with existing private preschool providers. Finally, it establishes the pre-elementary school fund where money may be appropriated.

#### Section 5.

Establishes a supplemental 2.5% corporate income tax on oil companies to be placed in the pre-elementary school fund.

# Alaska 20/20 releases state report card

**TRENDS: Economy, environment  
good; health care is biggest problem**

By SARANA SCHELL  
Anchorage Daily News

Alaskans are likely to find the second annual Alaska Progress Report from civic group Alaska 20/20 less than rosy and troubling.

The report card, which gathers facts on education, health care, environment, communities and government to help residents decide what they like and what they want to change.

"We're a good neutral third party," said board chair Wendy Lindstrom.

The report gives a picture of Alaska's business community; small businesses employ two out of three Alaskans, for example. The report also describes trends that impact business, like fewer young Alaskans attending college, and the health of communities into which employers try to recruit new workers.

Alaska's economy and environment look good

See Page D-2, 20/20

## 20/20: Group plans forums to

Continued from D-1

on the whole, said chief executive Ken Osterkamp. Alaskans had the 13th best per capita income in the country in 2004, their poverty rate was lower and the state had the fewest number of species listed as endangered.

A lack of economic diversity means vulnerability, though, as the oil and gas industry continues to dominate the gross state product.

Education and government are mixed, Osterkamp said.

Students overall did better than the national average on standardized tests, but the gap is narrowing. A gap between white and nonwhite Alaska student achievement remains.

Other concerns include:

TO SEE Alaska 20/20's new report, go to  
[www.alaska2020.org](http://www.alaska2020.org)

• Alaska is one of a dozen states that don't have state-funded prekindergarten programs.

• A lower percentage of young adults in Alaska attended college between 1990 and 2002, dropping to 7.2 percent from 8.6 percent; nationwide, the percentage rose from 8.6 to 9.2.

As for federal, state and local government, it's important for Alaska to have spending that can be upheld for

## discuss solutions to identified problems

the long term, not swing up and down with oil revenue or short-term congressional appropriations. That is one goal Alaskans agreed on through years of the civic group's public forums, the report said.

State revenue subject to the whims of oil prices has caused deficit spending in the past and could again in the future. The report said the shortfalls have led to funding crises for local governments that depend on state money: 13 of 133 village governments have shut down.

"We've cried wolf year after year after year," Osterkamp said, then been saved by high oil prices. "We keep dodging the bullet, but it's a structural issue" that isn't going away.

Health is where Alaska's biggest challenges lie, Osterkamp said.

While health care is the state's fastest growing industry, the cost of that care is a top concern among businesses.

Even though nearly a third of Alaskans have federal health benefits — military and civilian workers, veterans and Natives — the percentage of all Alaskans without health care is still above the national average.

Alaska 20/20 started in 1999 as a program of the Alaska Humanities Forum and became an independent nonprofit in 2005. Osterkamp is the sole employee, but leans heavily on a 12-member board that includes legislators and state activists.

Alaska 20/20 now plans to ask Alas-

kans to debate possible solutions to problems the report has identified in a series of forums planned for this fall. Legislators are invited to observe, Osterkamp said, so they can better understand Alaskans' concerns.

"It's like trip planning," Osterkamp said. Once you've decided where you want to go there are trade-offs that have to be made, like paying more money for a plane ticket to get there faster. And "for every tax break you give, someone's got to pick up the slack."

The Daily News is a corporate sponsor of Alaska 20/20.

Daily News reporter Sarana Schell can be reached at [sschell@adn.com](mailto:sschell@adn.com) or 257-4466.

Anchorage Daily News  
January 20, 2006

# LEGISLATIVE RESEARCH REPORT

JANUARY 4, 2006



REPORT NUMBER 06.026

## THE VALUE OF PREKINDERGARTEN PROGRAMS

PREPARED FOR REPRESENTATIVE LES GARA

BY ROGER WITHINGTON, LEGISLATIVE ANALYST

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You asked for information on the value of prekindergarten programs. Specifically, you asked for a brief summary of current reports or studies that analyze the value of prekindergarten programs. In addition, you asked for a summary of Alaska's prekindergarten program that was discontinued in fiscal year 2003.

As you may know, prekindergarten programs (Pre-K) are generally defined as direct educational services to children who are not yet eligible for kindergarten. Usually, this refers to children ages 3 and 4, but occasionally may apply to younger children. Please keep in mind that there are a number of terms that are used interchangeably with prekindergarten including early education, preschool, early learning, school readiness, and child development. Although more than one-third of states provide state funding supplements to Head Start programs, these generally are not considered state-funded prekindergarten programs.

## SUMMARY

According to the National Education Association (NEA), children who attend high quality prekindergarten programs are better prepared for kindergarten, have better language and math skills, better cognitive and social skills, and better relationships with classmates.<sup>1</sup> In addition, they note that children who attend prekindergarten are less likely to drop out of school, repeat grades, need special education, or get in trouble with the law when they are older. They also note that children with disadvantaged backgrounds, such as low-income or a single parent household, generally benefit more from quality prekindergarten programs than do children who are not disadvantaged. The NEA advocates for universal high quality prekindergarten programs because it "represents one of the best investments our country can make."

According to the Education Commission of the States (ECS), forty-three states currently fund early learning programs for young children, up from about ten states in 1980.<sup>2</sup> Generally, the goal of these programs is to promote school readiness so children have a better chance of future success, both in school and in life. The ECS notes that implementation of state-funded prekindergarten programs varies widely. As examples, some programs are half day, others full day; some programs are for only four-year-olds, others include three-year-olds, while others offer services to infants and toddlers; some prekindergarten programs are operated through local school districts, while others offer services through public and private centers. The ECS also notes that most states target programs for children with an identified risk factor such as poverty, low parental education, teen parents, and English as a second language. Some states and cities, however, are working towards making quality prekindergarten programs universally available.

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<sup>1</sup> The National Education Association (NEA) works to advance the cause of public education in the United States. The NEA is the nation's largest professional employee organization, with 2.7 million members who work at every level of education, from pre-school to university graduate programs. The NEA has affiliate organizations in every state, as well as in more than 14,000 local communities across the United States. The NEA's URL is <http://www.nea.org/index.html>.

<sup>2</sup> The Education Commission of the States (ECS) is a nonprofit, nonpartisan interstate compact created in 1965 to improve public education by facilitating the exchange of information, ideas, and experiences among state policymakers and education leaders. The URL for the ECS is <http://www.ecs.org/>.

According to the National Conference of State Legislatures (NCSL), Georgia and Oklahoma were the first states to expand preschool to all four-year-olds.<sup>3</sup> Florida, Maryland, New York and West Virginia are in the process of phasing in their universal programs. The NCSL also notes that 36 states considered early education bills in 2005, and at least 28 states considered expanding preschool programs. According to the National Institute for Early Education Research (NIEER), approximately 738,000 children, or about 10 percent of all three- and four-year-olds in the nation, participate in state-funded prekindergarten programs.<sup>4</sup> The NIEER estimates that state spending on prekindergarten programs totals \$2.54 billion.

We identified numerous reports or studies that articulate the benefits of high quality prekindergarten programs. We chose to summarize the following reports because they are generally more recent than others, often cited as a bellwether study or report, discuss a program that has been evaluated with some scientific rigor, or offer a thorough summary of the status of prekindergarten activities in the United States.

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### *THE EFFECTS OF UNIVERSAL PRE-K ON COGNITIVE DEVELOPMENT*

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In 2005, the journal *Developmental Psychology* published the results of new research that confirms that Oklahoma's universal prekindergarten program helps four-year-olds prepare for school by improving their cognitive and language functioning. The children who participated in the state-funded universal prekindergarten program performed better on cognitive tests that measured pre-reading and reading skills, prewriting and spelling skills, and math reasoning and problem-solving skills, than those children who did not participate in the program. The research results also showed that the prekindergarten program improved performances for children from all races and income brackets (as measured by eligibility for a reduced-price lunch). According to the study, low-income children and Hispanic children benefited the most from the program.

Although the report provided very little information about the program, the researchers noted that Oklahoma's high prekindergarten teacher education requirements, and the state's willingness to compensate prekindergarten teachers at the same level as elementary and secondary school teachers in the public schools, distinguishes this program from others.

We include the report, entitled "The Effects of Universal Pre-K on Cognitive Development," as Attachment A.

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<sup>3</sup> The National Conference of State Legislatures (NCSL), founded in 1975, is a bipartisan organization that serves the legislators and staffs of the nation's 50 states, commonwealths, and territories. The NCSL provides research, technical assistance and opportunities for policymakers to exchange ideas on most state issues. The URL for the NCSL is <http://www.ncsl.org/index.html>.

<sup>4</sup> The National Institute for Early Education Research (NIEER) supports early childhood education initiatives by providing objective, nonpartisan information based on research. The NIEER was established at Rutgers University's Graduate School of Education with a grant from The Pew Charitable Trusts. The URL for the NIEER is <http://nieer.org/>.

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*THE EFFECTS OF STATE PREKINDERGARTEN PROGRAMS ON YOUNG CHILDREN'S SCHOOL  
READINESS IN FIVE STATES*

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In 2004, the National Institute for Early Education Research (NIEER), examined a sample of more than 5,000 four-year-olds enrolled in high-quality, state-funded prekindergarten programs in the states of Michigan, New Jersey, Oklahoma, South Carolina, and West Virginia. The Institute compared achievement scores of children who just completed the preschool program with the scores of a sample of children who did not participate in a program. The results of the examination found significant improvement in children's early language, literacy, and mathematical development, regardless of the child's racial or economic background.

Among other things, the study found that the children who attended state-funded prekindergarten programs showed gains in vocabulary scores about 31 percent greater than the gains of those children who did not participate in a program. The researchers note that these higher scores translate into an additional four months of progress in vocabulary growth. In mathematics, including basic number concepts and such tasks as simple addition and subtraction, telling time, and counting money, the children who participated in the state-funded preschool improved their math skills by 44 percent compared to children who did not participate in a program.

As we noted above, this study examined programs in five states—Michigan, New Jersey, Oklahoma, South Carolina and West Virginia. The programs in Michigan, New Jersey and South Carolina target at-risk children (usually low-income children), while the programs in Oklahoma and West Virginia are universal. Although each state program is unique, all required licensed teachers with four-year college degrees and certification in early childhood. These programs also maintain low teacher to child ratios (the highest ratio being one teacher to ten children), and low maximum class sizes (the highest being 20 students). Unfortunately the report did not provide any additional information regarding the studied programs.

We include "The Effects of State Prekindergarten Programs on Young Children's School Readiness in Five States" as Attachment B.

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*THE 2004 STATE PRESCHOOL YEARBOOK*

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In 2004, the National Institute for Early Education Research produced the *2004 State Preschool Yearbook* that summarizes state-funded prekindergarten programs in the United States during the 2002-2003 school year. This document is parsed into three sections, the first of which provides background information on preschool education in the United States, a description of the methods used by the NIERR to collect and analyze the data, a national summary of NIEER's findings, and NIEER's national policy recommendations. The second section provides detailed profiles of each state's policies regarding preschool access, quality standards, and resources. The last section of the report includes tables that provide the complete survey data obtained from every state, Head Start and child care data. A few of the findings from the NIEER's study are as follows.

- ◆ In 2002-2003, 38 states funded one or more prekindergarten initiatives serving a total of nearly 740,000 children (this represents an increase of 45,000 students from the previous school year). Access was uneven across states, however, with 10 states accounting for over three-quarters of enrollment.

- ♦ State prekindergarten initiatives served more than six times as many four-year-olds as three-year-olds in 2002-2003. Twenty states enrolled at least 10 percent of their four-year-olds in state preschool programs, but only three states served at least 10 percent of their three-year-olds.
- ♦ Georgia and Oklahoma continued to be the only states that made prekindergarten universally available to children. Across the United States, only one out of ten children ages three and four were participating in state preschool programs, as most states targeted programs that only serve economically or otherwise disadvantaged children.
- ♦ In 2002-2003, twelve states did not have a state-funded prekindergarten program.
- ♦ States need to initiate or improve policies that establish stronger quality standards. Only one state, Arkansas, met all ten of NIEER's quality benchmarks, whereas 20 state initiatives met five or fewer benchmarks.<sup>5</sup>
- ♦ State policies regarding quality standards were inconsistent. For example, one state may emphasize comprehensive services while another stresses teacher qualifications.
- ♦ Only 13 state prekindergarten initiatives required teachers to have both a bachelor's degree and specialized training in early childhood education. In addition, only 13 programs required teachers to be paid on a public school salary scale.
- ♦ State funding for prekindergarten initiatives totaled \$2.54 billion in 2002-2003. Over three-fifths of this funding was from five states—California, Georgia, New Jersey, New York, and Texas. Inadequate funding severely limited access and quality in most states.
- ♦ State spending per child enrolled in state-funded preschool ranged from less than \$1,000 in Maryland to more than \$8,700 in New Jersey. State spending per child averaged about \$3,500, less than half of the total funding provided per child in federal Head Start or public K-12 education.
- ♦ Between the 2001-2002 and 2002-2003 school years, total state spending (adjusted for inflation) rose by \$90 million, or four percent. However, state funding per child enrolled decreased by \$90, and 21 states decreased total spending.

We include *The State of Preschool: 2004 State Preschool Yearbook* as Attachment C.

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<sup>5</sup> The NIEER uses a quality standards checklist of ten items to compare standards of quality across different state prekindergarten programs.

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### THE HIGH/SCOPE PERRY PRESCHOOL PROJECT

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According to *Education Week*, "The High/Scope Perry Preschool Project is perhaps the best-known study of the long-term effects of a high-quality prekindergarten education." During the mid-1960s, the High/Scope Educational Research Foundation selected and tracked a group of 123 African-Americans, age 3 or 4, who were born in poverty and at high risk of failing in school.<sup>6</sup> The children were randomly divided into a program group who received a high-quality preschool program based on High/Scope's participatory learning approach, and a comparison group who received no preschool program. This study provides a comprehensive evaluation of the long-term effect of quality prekindergarten on the lives of the participating students.

In their most recent evaluation of this group of students, the age of which was about 40, the High/Scope Educational Research Foundation was able to interview 97 percent of the study participants still living. Some of this study's major findings are as follows.

- ♦ A greater percentage of the group who received high-quality early education graduated from high school than did the non-program group (65% vs. 45%). This proved to be particularly true for the female participants (84% vs. 32%).
- ♦ A smaller percentage of females who received high-quality early education required treatment for mental impairment than did the non-program females (8% vs. 36%).
- ♦ A smaller percentage of females who received high-quality early education had to repeat a grade than did the non-program females (21% vs. 41%).
- ♦ The group who received high-quality early education on average outperformed the non-program group on various intellectual and language tests during their early childhood years, on school achievement tests between ages 9 and 14, and on literacy tests at ages 19 and 27.
- ♦ A greater percentage of the group who received high-quality early education was employed at age 40 than was the non-program group (76% vs. 62%).
- ♦ The group who received high-quality early education had median annual earnings more than \$5,000 higher than the non-program group (\$20,800 vs. \$15,300).
- ♦ A greater percentage of the group who received high-quality early education owned their own homes (37% vs. 28%).
- ♦ A greater percentage of the group who received high-quality early education had a savings account than did the non-program group (76% vs. 50%).

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<sup>6</sup> The High/Scope Educational Research Foundation is an independent nonprofit research, development, training, and public advocacy organization. High/Scope's mission is "to lift lives through education." Among other things, the High/Scope Educational Research Foundation provides training to preschool and elementary teachers and administrators, conducts research on the effectiveness of educational programs, and develops curricula for infant, toddler, preschool, elementary, and adolescent programs. The URL for the High/Scope Educational Research Foundation is <http://www.highscope.org/index.asp>.

- ♦ The group who received high-quality early education had significantly fewer arrests than did the non-program group (36% vs. 55% arrested five times or more).
- ♦ Significantly fewer members of the group who received high-quality early care than the non-program group were ever arrested for violent crimes (32% vs. 48%), property crimes (36% vs. 58%), or drug crimes (14% vs. 34%).

According to the High/Scope Educational Research Foundation, in constant dollars adjusted to 2000, the economic return to society of the Perry Preschool program was \$258,888 per participant, on an investment of \$15,166 per participant, or a \$17.07 return for every dollar invested.

Researchers with the High/Scope Educational Research Foundation identified the following attributes that contribute to the success of their prekindergarten program.

- ♦ The teachers in the Perry Preschool program had bachelor's degrees and were certified to teach in elementary, early childhood, and special education. Teachers also received training, supervision, and assessments that support the Perry Preschool program educational model, and were paid 10 percent above the local public school district's standard pay scale.
- ♦ The Perry Preschool program had four teachers for 20 to 25 children.
- ♦ The Perry Preschool program was a two school year program, starting at age three.
- ♦ The Perry Preschool program consisted of daily classes (five days a week) of two-and-a-half hours or more.
- ♦ The teachers in the Perry Preschool program helped children plan, perform, and review their own work. The classroom was arranged and the day was scheduled to support children's self-initiated learning activities.
- ♦ Perry Preschool program teachers visited with families at home, at least once every two weeks.

We include *The High/Scope Perry Preschool Study Through Age 40, Summary, Conclusions, and Frequently Asked Questions* as Attachment D.<sup>7</sup>

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<sup>7</sup> Additional information on the High/Scope Perry Preschool Project can be found at <http://www.highscope.org/Research/PerryProject/perrymain.htm>.

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### ABECEDARIAN EARLY CHILDHOOD INTERVENTION PROJECT

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The Abecedarian Early Childhood Intervention Project began in the 1970s by the FPG Child Development Institute at the University of North Carolina at Chapel Hill.<sup>8</sup> The Abecedarian Project scientifically studied the potential benefits of early childhood education for children from low-income families. Children who were selected to participate in the program received full-time, high-quality instruction in a childcare setting from infancy through age five. Each child had an individualized plan of educational activities. These activities focused on social, emotional, and cognitive areas of development, and gave particular emphasis to language development. The children's progress was monitored over time with follow-up studies conducted at ages 12, 15, and 21.

So far, the findings demonstrate that important, long-lasting benefits are associated with the high-quality early childhood program. A sample of the benefits experienced by the program participants gleaned from the young-adult assessment (age 21) are as follows.

- ◆ The children who received early childhood education in the Abecedarian program are projected to make roughly \$143,000 more over their lifetimes than those who did not take part in the program.
- ◆ The mothers of children who were enrolled in the program also expect earnings of about \$133,000 more over their lifetimes than the mothers of the children who did not take part in the program.
- ◆ School districts saved more than \$11,000 per child because participants are less likely to require special or remedial education.
- ◆ The children who received early childhood education in the Abecedarian project had higher cognitive test scores from the toddler years to age 21.
- ◆ Academic achievement in both reading and math was higher from the primary grades through young adulthood for the children who received early childhood education in the Abecedarian project.
- ◆ The children who participated in the program completed more years of education and were more likely to attend a four-year college.
- ◆ The mothers of the children who participated in the program achieved higher educational and employment status than did the mothers of the children who were not in the program. These results were especially pronounced for teen mothers.
- ◆ Taxpayers received four dollars in benefits for every dollar spent on high-quality early education programs.

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<sup>8</sup> FPG Child Development Institute is a multidisciplinary institute at The University of North Carolina at Chapel Hill. The institute's mission is to cultivate and share the knowledge necessary to enhance child development and family wellbeing. The institute, through grants and contracts, conducts research and provides outreach services. The URL for the FPG Child Development Institute is <http://www.fpg.unc.edu/index.cfm>.

We include the FPG Child Development Institute's summary of the Abecedarian Project as Attachment E.

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*EARLY CHILDHOOD DEVELOPMENT: ECONOMIC DEVELOPMENT WITH A HIGH PUBLIC RETURN*

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In 2003, economists with the Federal Reserve Bank of Minneapolis calculated that the potential annual return from a focused, high-quality early childhood education program is as high as 16 percent.<sup>9</sup> Most of the return benefits the economy as a whole because individuals who participate in high-quality early childhood education programs developed greater skills than they otherwise would have, which in turn contributes to the local economies (approximately 12% return). A smaller portion (approximately 4%) of the return benefits the children who received early childhood education in the form of higher wages later in life. The researchers used data from the High/Scope Perry Preschool Project to conduct their analysis.

In June 2005, as an expansion to their 2003 research, the Federal Reserve Bank of Minneapolis researchers proposed expanding the scope of early childhood education programming to meet the needs of all impoverished children ages five and younger, including newborns. In making this proposal, the researchers cited advances in brain research that indicate the most critical neurological development occurs between birth and age three.

In summary, the authors maintain that economic development schemes based on attracting specific companies or industries often waste taxpayer dollars, whereas investment in early childhood development yields high and dependable returns, in turn aiding long-term economic growth.

We include *Early Childhood Development: Economic Development with a High Public Return* as Attachment F.

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*EARLY EDUCATION IN THE STATES: A YEAR IN REVIEW—2004*

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In March 2005, the National Conference of State Legislatures (NCSL) produced, *Early Education in the States: A Year in Review—2004*, to provide detailed information about actions of state legislatures on early education issues. Among other things, this report contains a brief review of the research on early education, NCSL's comments on the role of state legislatures in early education, and a state-by-state summary of state bills, acts, executive orders, and proposals made in 2004 that pertain to early education.

In addition to summarizing many of the reports or studies we discussed above, the NCSL notes that incorporated into recent child development initiatives are three new components: enhancing

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<sup>9</sup> The Federal Reserve Bank of Minneapolis is one of 12 regional Reserve Banks that, together with the Board of Governors in Washington, D.C., make up the Federal Reserve System—the United States' central bank. The URL for the Federal Reserve Bank of Minneapolis' early childhood education website is <http://minneapolisfed.org/research/studies/earlychild/>.

the role of parents; promoting innovation at the local level; and establishing state-level planning councils.

The NCSL notes that generally, state legislators should approach early education from a number of different perspectives. In some cases, early education has been one part of a larger education reform effort. Lately, legislators have made connections between early education and a state's ability to meet requirements of the No Child Left Behind Act. State legislators also view early education as part of the solution to reducing the achievement gap for children before they enter the early elementary grades. In addition, the positive results demonstrated in long-term economic research have prompted policymakers to consider early education as a long-term investment.

We include *Early Education in the States: A Year in Review—2004* as Attachment G.

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#### OTHER INFORMATIVE SOURCES

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During the course of our research, we identified additional sources of early childhood education information that you may find useful. We identify these sources and their website address in Table 1.

| <b>Table 1: Sources of Early Childhood Education Information</b> |                                                                                                                                        |
|------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|
| <b>Organization</b>                                              | <b>URL</b>                                                                                                                             |
| Child Development Center, Wilder Foundation                      | <a href="http://www.wilder.org/programs.0.html">www.wilder.org/programs.0.html</a>                                                     |
| Education and Early Learning, Committee for Economic Development | <a href="http://www.ced.org/projects/educ.shtml">www.ced.org/projects/educ.shtml</a>                                                   |
| Education Commission of the States                               | <a href="http://www.ecs.org/ecsmain.asp?page=/html/issue.asp?issueID=184">www.ecs.org/ecsmain.asp?page=/html/issue.asp?issueID=184</a> |
| Foundation for Child Development                                 | <a href="http://www.ffcd.org/">www.ffcd.org/</a>                                                                                       |
| National Child Care Information Center Online Library            | <a href="http://nccic.org/">nccic.org/</a>                                                                                             |
| National Education Association                                   | <a href="http://www.nea.org/index.html">www.nea.org/index.html</a>                                                                     |
| National Scientific Council on the Developing Child              | <a href="http://www.developingchild.net/">www.developingchild.net/</a>                                                                 |
| The RAND Corporation                                             | <a href="http://www.rand.org/pubs/online/education/index.html">www.rand.org/pubs/online/education/index.html</a>                       |
| Ready4K, Minnesota's School Readiness Program                    | <a href="http://www.ready4k.org/">www.ready4k.org/</a>                                                                                 |
| Strategies for Children: Early Education for All Campaign        | <a href="http://www.strategiesforchildren.org/eea/eea_home.htm">www.strategiesforchildren.org/eea/eea_home.htm</a>                     |
| The Trust for Early Education                                    | <a href="http://www.trustforearlyed.org/">www.trustforearlyed.org/</a>                                                                 |
| U.S. Department of Education                                     | <a href="http://www.ed.gov/teachers/how/early/edpicks.jhtml?src=qc">www.ed.gov/teachers/how/early/edpicks.jhtml?src=qc</a>             |

## ALASKA'S TWO-YEAR KINDERGARTEN PROGRAM

As you know, Chapter 50, SLA 2003 (House Bill 154) amended Alaska Statute 14.03.080(c) to restrict education foundation formula funding of four-year olds attending kindergarten. At the time, approximately 30 of the 53 school districts in Alaska offered some form of a two-year kindergarten program, allowing both four- and five-year olds to attend (some school districts allowed all four-year olds to attend while others did not). Chapter 50, SLA 2003 restricts foundation formula funding to four-year olds for whom there is a realistic expectation that the child will successfully progress through the kindergarten curriculum and advance to the first grade the following school year. According to the Department of Education and Early Development's (DEED) fiscal note attached to HB 154, this amendment resulted in a savings of approximately \$3.9 million.

Although the letter of intent Governor Murkowski included with HB 154 noted the \$3.9 million saving that would result from the enactment of HB 154, the saving does not appear to be the primary motivation for the bill. Eddy Jeans, Manager of the School Finance and Facilities Section of the Alaska Department of Education and Early Development, testified during a House Education committee meeting, as well as numerous other committee meetings that discussed HB 154, that the intent of this bill was to address the policy question of whether the legislature wanted to fund four-year-olds in the kindergarten-through-12th-grade program.<sup>10</sup> He also pointed to an equity issue as not every school district in Alaska took advantage of the "loop-hole" in the law. According to Mr. Jeans, it would cost the state approximately \$60 to \$62 million annually to provide kindergarten for all four-year olds. Mr. Jeans noted that this estimate does not include any improvements to the capacity of districts' facilities, such as providing adequate classroom space.

Also during a House Education committee meeting, Kevin Sweeny, then Special Assistant to the Office of the Commissioner of the Department of Education and Early Development, testified, "the commissioner [of DEED] would agree that education would be better if the legislature funded all four-year-olds. In some districts it has shown that bringing kids in at four years old has helped them progress."<sup>11</sup> He also noted that the fundamental issue represented by HB 154 is whether the policy makers want to fund a statewide two-year kindergarten program through the foundation formula.

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<sup>10</sup> Eddy Jeans, now the Director of School Finance with the Alaska Department of Education and Early Development, can be contacted at 907-465-2891.

<sup>11</sup> In addition, in November 2001, the Alaska State Board of Education and Early Development adopted a resolution calling for voluntary preschool for all three- and four-year-old children. This resolution also expresses support for the development of pilot preschool programs in communities with low achievement scores on state exams, high poverty, and lack of Head Start or other early development programs.

## ALASKA COMMUNITY PRESCHOOL PROJECT - ALASKA'S PRESCHOOL PILOT PROGRAM

During each of the last two state fiscal years, the DEED received federally earmarked money to help fund the Alaska Community Preschool Project. During FY2005, the DEED distributed \$800,000, through a competitive process, to seven school districts (serving eight communities), to offer high-quality preschool.<sup>12</sup> During FY2006, the program received \$496,000 and funded services in seven communities in six districts (Juneau, Hoonah, King Cove, Sand Point, Bethel, Unalakleet and Minto). Federal funding for FY2007 has not been determined.

The purpose of this project is to augment existing preschool programs, that often operate in partnership with other entities such as Head Start, to bring them up to the teaching standards prescribed by the Feuerstein Instrumental Enrichment—Basic education model. So far the project has served roughly 200 children.<sup>13</sup>

## READY TO READ, READY TO LEARN TASK FORCE

In May 2005, Governor Murkowski called for the establishment of the Ready to Read, Ready to Learn Task Force. The governor charged this task force with identifying the following:

- ◆ Ways Alaskans can improve the readiness of preschoolers to read and learn,
- ◆ Ways families can become better at teaching children to listen, speak, read and write,
- ◆ Ways preschools and childcare centers can provide the best possible start for children,
- ◆ Ways the business community can participate in this effort, and
- ◆ Ways state and local governments can support the effort.

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<sup>12</sup> In FY2005, the DEED received a total \$1.2 million, and spent the money not directed to district programs on training and materials. Paul S. Sugar, Education Specialist II with the Department of Education and Early Development, can be reached at 907-465-4862.

<sup>13</sup> The International Center for the Enhancement of Learning Potential (ICELP), the Feuerstein Instrumental Enrichment—Basic program is directed toward the younger child, from approximately three to seven years of age, and the very low functioning older individual. The program is designed for use in a classroom group setting, for smaller groups of targeted learners, and as a one-to-one therapeutic intervention. The program also provides an "early intervention" to enable students who are developmentally at risk, or those individuals who have not acquired basic foundational knowledge and skills, to respond to direct stimuli and develop cognitive functions.

First Lady Nancy Murkowski is the Chair of Task Force while the Alaska Humanities Forum has the lead in establishing and administering the task force.<sup>14</sup>

According to the Alaska Department of Health and Social Services, Governor Murkowski will ask the Alaska Legislature to provide \$750,000 in fiscal year 2007 to improve childhood literacy and learning. This was announced by Nancy Murkowski at the Ready to Read, Ready to Learn Task Force held in Anchorage on November 10, 2005. The Department of Health and Social Services and the Department of Education and Early Development will use the funds to carry out recommendations currently being developed by the task force.

We include the Ready to Read, Ready to Learn Task Force's most recent newsletter "Task Force News" as Attachment H.

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I hope you find this information to be useful. Please do not hesitate to contact me if you have questions or need additional information.

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<sup>14</sup> The Alaska Humanities Forum was founded in 1972 by the National Endowment for the Humanities (NEH), the Forum is one of 56 state and territorial groups also supported by the NEH. The Forum is a 501(c)(3) non-profit organization with a mission to "use the wisdom and methods of the humanities to enrich the civic, intellectual and cultural life of all Alaskans." The Ready to Read, Ready to Learn Task Force URL is <http://www.akhf.org/ReadytoRead/ECL-Summit.html>.

**Molra Sullivan**

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**From:** Kathleen Strasbaugh [Kathleen\_Strasbaugh@law.state.ak.us]  
**Sent:** Thursday, February 02, 2006 11:41 AM  
**To:** Rep. Mark Neuman  
**Cc:** David Marquez; Randy Ruaro; Shana Valente  
**Subject:** Dedicated fund issues and HB 332, HB 333, and HB 340

As I discussed with you yesterday, we do not see a dedicated funds problem under Article IX, Section 7 of the Alaska Constitution with section 2 of HB 332, section 1, proposed Sec. 14.43.455, of HB 340, or section 4, proposed 14.38.210 of HB 333, all of which create accounts in the general fund. I left the bill review of last year's HB 158 with you as it discusses applicable legal issues. I said I would get back to you on the provisions related to the separate accounting for the tax revenue raised in these bills in the funds created by them. I conferred with others here at the Department of Law, and have reviewed the sections in question. These sections, sec. 3 of HB 332, sec. 5 of HB 333, and sec. 2 of HB 340, do not require that the tax proceeds be appropriated to the funds, but only accounted for in them. Since the revenues raised by these are available for appropriation, these sections do not implicate art. IX, sec. 7.

Kathleen Strasbaugh, Assistant Attorney General  
Alaska Department of Law  
P.O. Box 110300  
Juneau, AK 99811-0300  
(907) 465-3600  
Fax: (907) 465-2520

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# LEGAL SERVICES

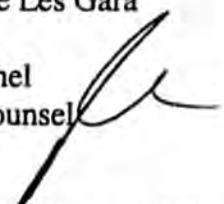
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## MEMORANDUM

February 2, 2006

**SUBJECT:** Dedicated Funds (HB 332, 333, and 340)  
**TO:** Representative Les Gara  
**FROM:** Jean M. Mischel  
Legislative Counsel 

You have asked whether the above referenced bills create dedicated funds. Based on existing precedent, it is likely that a court would find that each of the bills do not create a dedicated fund. However, adding language to the fund provisions may make them less susceptible to challenge. HB 332 and 340 have been drafted to avoid the creation of a dedicated fund by making the use of the funds established discretionary, and not mandatory, for the purposes cited in the bills. HB 333, because of its structure, may be more susceptible to challenge as a dedicated fund, although it was drafted to avoid that.

With respect to HB 332 and 340 you may wish to include an additional provision, recommended in the drafting manual, that states simply that the fund created in the bill is not a dedicated fund. This may help clarify the issue if there is any confusion as to legislative intent. Those bills already incorporate the drafting manual's other two recommendations for avoiding a dedicated fund challenge: (1) a statement that the fund or account is created in the general fund, and (2) that the legislature "may appropriate" the money to a specified purpose. You may also wish to add the phrase "or to some other public purpose" to HB 340 at page 2, line 8.

For HB 333, the issue is less clear in that the fund has a unique structure and may not be part of the general fund at all. The fund consists of appropriations for distributions to school districts to support approved pre-elementary schools. While nothing in the bill requires an appropriation to the fund, the lack of the additional language, expressly allowing for appropriation of the additional tax revenue for some other public purpose, may cause ambiguity. On the other hand, the structure of this fund is much like the recently revised public education fund under AS 14.17.300.

If you would like further drafting done on these bills, let me know.

JMM:med:lmb:ljw  
06-084.med

SCOMM

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ALASKA STATE LEGISLATURE



REPRESENTATIVE LES GARA

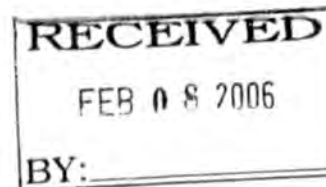
MEMORANDUM

DATE: February 8, 2006

TO: Rep. Mark Neuman, Chair  
House Special Committee on Education

FROM: Rep. Les Gara

RE: Hearing Request for HB340, Tuition Grants Funded by Oil Taxes



I respectfully request that House Bill 340, relating to tuition grants funded by oil taxes, be scheduled for a hearing in the House Special Committee on Education. Please feel free to contact me, or my aide Darcy Dugan, with questions or thoughts at 465-4955.

Attached you will find a background packet for HB340. This includes the current version of the bill, and a sponsor's statement, and backup materials.

Thank you for your consideration.

# ALASKA STATE LEGISLATURE



REPRESENTATIVE LES GARA

## **HB 340: 2% for Tuition – Enhanced Financial Aid for University and Vocational Education**

### **Sponsor Statement**

Higher education and vocational education should be available to all Alaskans, regardless of their wealth. Recent statistics show Alaska sends a smaller percentage of its children to higher education than any other state. Additionally, Alaska provides less need-based college financial aid per capita than any other state. Because of this, Alaska earned an "F" for college affordability on the National Center on Public Policy and Higher Education's *National Report Card On Higher Education* in 2004.

Several factors contribute to these disturbing statistics. Only in the last two years has Alaska provided state need-based grants to students, and the majority of aid is still in the form of loans. Additionally, average annual tuition has increased by 10% during the last two years in the UA system.

These barriers make students who might otherwise pursue a college degree or vocational education choose other alternatives due to insufficient financial support. HB340 would designate a 'Two Percent for Tuition' program, establishing a fund to provide financial aid for students to attend the University of Alaska or a public state-supported vocational education program. The fund would be created as an account in the general fund and be administered by the Alaska Postsecondary Commission on Education. Funds would be available to full-time, part-time, degree-seeking, and certificate-seeking students. The bill also includes a provision granting free tuition, room, and board to students raised under the foster care system if enrolled at the University of Alaska or a public vocational education program.

Many statistics support the necessity of this bill. Of the \$4 million of university gift aid dispersed to undergraduates in 2004, less than 3% was clearly need-based. Most of the money went to merit-based UA Scholars, tuition waivers, and employee waivers. Need-based aid for undergraduates was predominately in the form of loans, which still places high financial pressure on students. Seventy-seven percent of need-based aid for part-time undergraduates was in the form of loans.

The University of Alaska has more non-traditional students than most state universities, and many needy students don't qualify for federal financial aid because of their enrollment status. These students are even more reliant on our under-funded state aid but their needs are not being