



COMMONWEALTH of VIRGINIA

DEPARTMENT OF EDUCATION

P.O. BOX 2120
RICHMOND, VA 23218-2120

January 10, 2006

The Honorable Mark R. Warner
Governor of Virginia
Patrick Henry Building, 3rd Floor
Richmond, Virginia 23219

Dear Governor Warner:

Pursuant to Item 146, paragraph C.8. of the 2005 Appropriation Act (Chapter 951, 2005 Acts of Assembly), I am pleased to transmit the "Status of the Primary Class Size Reduction Program" report prepared by the Department of Education. In accordance with the requirements of the Appropriation Act, this report is being submitted to you, the chairmen of the Senate Finance and House Appropriations Committees, and the chairmen of the Senate Education and Health and House Education Committees.

If you have questions or require additional information relative to this transmittal, please contact me or Daniel Timberlake, assistant superintendent for finance, at (804) 225-2025.

Sincerely,

A handwritten signature in cursive script, appearing to read "Patricia I. Wright".

Patricia I. Wright
Acting Superintendent of Public Instruction

PW/ko

Enclosure

cc: The Honorable Peter A. Blake



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January 10, 2006

The Honorable John H. Chichester
Chairman, Senate Finance Committee
Virginia General Assembly
P.O. Box 396
Richmond, VA 23218

The Honorable H. Russell Potts, Jr.
Chairman, Senate Education and Health
Committee
Virginia General Assembly
P.O. Box 396
Richmond, VA 23218

The Honorable Vincent F. Callahan, Jr.
Chairman, House Appropriations Committee
Virginia General Assembly
P.O. Box 406
Richmond, Virginia 23218

The Honorable James H. Dillard II
Chairman, House Education Committee
Virginia General Assembly
P.O. Box 406
Richmond, Virginia 23218

Dear Sirs:

Pursuant to Item 146, paragraph C.8. of the 2005 Appropriation Act (Chapter 951, 2005 Acts of Assembly), I am pleased to transmit the "Status of the Primary Class Size Reduction Program" report prepared by the Department of Education.

If you have questions or require additional information relative to this transmittal, please contact me or Daniel Timberlake, assistant superintendent for finance, at (804) 225-2025.

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Patricia I. Wright
Acting Superintendent of Public Instruction

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Enclosure

cc: The Honorable Mark R. Warner
The Honorable Peter A. Blake



VIRGINIA DEPARTMENT OF EDUCATION

Report

Status of the K-3 Primary Class Size Reduction Program

JANUARY 11, 2006

VIRGINIA DEPARTMENT OF EDUCATION

PREFACE:

**The ‘Status of the K-3 Primary Class Size Reduction Program’
report is required by the 2005 Appropriation Act**

Item 146, paragraph C.8. of the 2005 Appropriation Act (Chapter 951, 2005 Acts of Assembly) directs the Superintendent of Public Instruction to provide a report to the Governor and the Chairmen of the House Appropriations, House Education, Senate Finance, and Senate Education and Health Committees annually, prior to the start of the General Assembly session.

EXECUTIVE SUMMARY

Pursuant to the requirements of Item 146, paragraph C.8. of the 2005 Appropriation Act (Chapter 951, 2005 Acts of Assembly), the Department of Education collected information from school divisions on the reduced student-to-teacher ratios and maximum class sizes for grades kindergarten through three for all schools eligible for funding under the K-3 Primary Class Size Reduction program.

In order to receive state incentive funding for reduced class sizes, school divisions must meet student-to-teacher ratio and class size requirements in each school eligible to participate in the program, based on free lunch eligibility.

The objective of the K-3 Primary Class Size Reduction program is to provide additional funding as an incentive for school divisions to reduce class sizes below the required class sizes established in the Standards of Quality (SOQ) for grades kindergarten through three.

As of the date of this report, 810 schools were eligible to participate in the K-3 Primary Class Size Reduction program:

- Of the eligible schools, five schools opted out of the program, choosing to not participate.
- One school did not meet the requirements for state funding based on the lowest student-to-teacher ratio for which it qualified, and accepted reduced funds for a higher ratio.
- In total, 804 schools met the requirements for state funding based on the lowest student-to-teacher ratio for which they qualified.

State payments to school divisions for the K-3 Primary Class Size Reduction program in fiscal year 2006 are estimated to be \$67,224,911.

Appendix A to this report includes excerpted language from HB/SB 29 on the K-3 Primary Class Size Reduction program.

Appendix B to this report provides division-level estimated K-3 Primary Class Size Reduction program payments and the number of participating schools for fiscal year 2006.

BACKGROUND:**The Primary Class Size Reduction Program Began in the 1994-1996 Biennium**

- “Primary” grades that are funded as part of this initiative include kindergarten through grade three (K-3).
- This incentive-based program began in the 1994-1996 biennium; the first appropriation of \$38.7 million was made in fiscal year 1995.
- The objective of the program was to provide additional funding as an “incentive” for school divisions to reduce class sizes in grades kindergarten through three below the required class sizes established in the Standards of Quality (SOQ).
- The program was initiated as a result of the recommendations of the Commission on Educational Opportunities for All Virginians.
- The SOQ for the 1994-1996 biennium required division-wide student-to-teacher ratios of 25 to 1 with no class being larger than 30 students. At the kindergarten level, an aide was required in any class that was larger than 25 students.

BACKGROUND:**Success of Voluntary Participation Led to Expansion of the Primary Class Size Reduction Program and Ultimately a Reduction in the SOQ Student-To-Teacher Ratios**

- The 1998 General Assembly made significant changes to the Primary Class Size Reduction program for the 1998-2000 biennium based on widespread participation in the program.
 - First, the program was expanded to make it available to all schools with grades kindergarten through three.
 - Second, the range of student-to-teacher ratios was expanded from three levels to eight levels to soften the transition from one tier to the next and to include a tier for all schools regardless of the free lunch rate.
 - Third, program expansion also further reduced the student-to-teacher ratios and maximum class size caps that were available to schools.
- The 1999 General Assembly recognized that all schools were participating in the program at a reduced class size of at least 24 to 1, and passed legislation to reduce the SOQ required student-to-teacher ratio to 24 to 1 in kindergarten through third grade. This change was effective July 1, 2000.
 - This action eliminated the highest student-to-teacher ratio of 24 to 1 in the incentive program.
 - As a result, schools with free lunch eligibility rates below 16 percent are not eligible for a class size reduction below the SOQ standard of 24 to 1.

CURRENTLY:**Current Program Funding Provides Approximately \$67.2 Million Annually to Reduce Primary Class Sizes**

- HB/SB 29 as introduced includes \$67.2 million in fiscal year 2006 for the Primary Class Size Reduction program.
- Key components of this incentive-based funding include:
 - The available funds provide the state share of the additional cost to reduce class sizes below the levels required by the SOQ for most schools with grades kindergarten through three.
 - The state share of payment is based on the incremental cost of providing the lower class sizes based on the lower of the division average per pupil cost of all divisions, or the actual division per pupil cost.
 - Localities are required to provide a match for the state share of payment based on the composite index.
 - Funding for the applicable ratio and maximum class size requirements are calculated at the school level based on the percent of students eligible for free lunch at each school. Schools with free lunch eligibility percentages of less than 16 percent are not eligible for funding.
 - For fiscal year 2006, the per pupil incremental cost ranges from \$18 to \$1,312 depending on the applicable ratio and class size level.
- The table in **Appendix A** shows the program's reduced student-to-teacher ratios and maximum class sizes available to each school based on its free lunch eligibility rate.

Implementation, Data Collection, and Compliance for Fiscal Year 2006

- School divisions were required to provide data to the Department of Education demonstrating the reduced ratios and maximum class sizes at participating schools. This information was due to the department by October 15, 2005.
- Consistent with the process for determining compliance with other staffing ratios, school divisions are allowed to count the time spent by resource teachers (e.g., art, music, physical education, etc.) in kindergarten through grade three when calculating the student-to-teacher ratios for this initiative.
- As stipulated in the SOQ statute, special education teachers cannot be counted toward meeting the reduced ratios.
- Information for this report is based on certified fall membership and staffing data for fiscal year 2006.
- As of the date of this report, of the 805 total schools participating in the program, 804 schools met the requirements for state funding based on the lowest student-to-teacher ratio for which they qualified; one school did not meet the lowest eligible student-to-teacher ratio requirement, but accepted reduced funding for a higher ratio. These schools participated at the following ratios for fiscal year 2006:

K-3 Student-to-Teacher Ratio	
<i>Student to Teacher Ratio</i>	<i>Number of Schools</i>
14 to 1 Ratio	34
15 to 1 Ratio	12
16 to 1 Ratio	25
17 to 1 Ratio	89
18 to 1 Ratio	111
19 to 1 Ratio	254
20 to 1 Ratio	280
Total	805

Implementation, Data Collection, and Compliance for Fiscal Year 2006

- If local circumstances do not permit a particular school to participate at the qualifying ratio, divisions may elect to opt individual schools out of the program for the school year. In fiscal year 2006, five schools were opted out of the program.

Opted Out of Program	
<i>Division</i>	<i>School</i>
Henrico County Public Schools	Rivers Edge Elementary
Prince William County Public Schools	J.W. Alvey Elementary
Prince William County Public Schools	Glenkirk Elementary
Prince William County Public Schools	Victory Elementary
Prince William County Public Schools	Pennington School

- If local circumstances (e.g., lack of classroom space) do not permit participation at the qualifying ratio for a particular school, divisions may elect to have eligible schools participate at a higher ratio, with a commensurate reduction of state and required local funds.
- One school failed to qualify at the lowest eligible student-teacher ratio. The following school did not meet the requirements for the lowest student-to-teacher ratio for which they qualified, but did accept reduced funding for a higher ratio.

Accepted Reduced Funding	
<i>Division</i>	<i>School</i>
Alexandria City Public Schools	Cora Kelly Magnet Elementary

Implementation, Data Collection, and Compliance for Fiscal Year 2006

- Sixteen divisions reported hiring additional classroom teachers or resource teachers in order to comply with the lowest eligible ratio for some of their schools. In addition, divisions likely hired teachers in advance of the school year in anticipation of the requirements of this program.

Hired Additional Staff to Meet Ratio	
<i>Division</i>	<i>School</i>
Albemarle County Public Schools	Red Hill Elementary
Arlington County Public Schools	Abingdon Elementary
Brunswick County Public Schools	Totaro Elementary
Chesterfield County Public Schools	Bellwood Elementary
Essex County Public Schools	Tappahannock Elementary
Fairfax County Public Schools	Mount Eagle Elementary
Fairfax County Public Schools	Gunston Elementary
Fairfax County Public Schools	Riverside Elementary
Giles County Public Schools	Narrows Combined Elementary
Stafford County Public Schools	Rocky Run Elementary
Alexandria City Public Schools	Maury Elementary
Alexandria City Public Schools	John Adams Elementary
Danville City Public Schools	G.L.H. Johnson Elementary
Suffolk City Public Schools	Nansemond Parkway Elementary
Suffolk City Public Schools	Kilby Shores Elementary
Suffolk City Public Schools	Mack Benn Jr. Elementary

- Alternatively, if local circumstances do not permit participation at the qualifying ratio for all grade levels for a particular school, divisions may elect to have eligible schools participate only for certain grade levels, with a commensurate reduction of state and required local funds. For fiscal year 2006, no schools elected to eliminate certain grade levels to meet eligibility requirements.

Implementation, Data Collection, and Compliance for Fiscal Year 2006

- As provided in the Appropriation Act, a waiver may be granted to divisions for the maximum class size requirement in a school that has only one class in an affected grade level. For fiscal year 2006, such a waiver was requested for four schools:

Requested Waiver for Maximum Class Size Requirement	
<i>Division</i>	<i>School</i>
Halifax County Public Schools	Scottsburg Elementary
Lee County Public Schools	St. Charles Elementary
Rockbridge County Public Schools	Mountain View Elementary
Wythe County Public Schools	Speedwell Elementary

- **Appendix B** shows the estimated state funding entitlements by school division for fiscal year 2006.

Budget Language Excerpt from HB/SB 29 as Introduced

Item 146, Paragraph C:

8. Primary Class Size Payments

- a. An additional payment estimated at \$65,893,705 the first year and **\$67,224,911** the second year from the general fund shall be disbursed by the Department of Education as an incentive payment for reducing class sizes in the primary grades.
- b. The Department of Education shall calculate the payment based on the incremental cost of providing the lower class sizes based on the lower of the division average per pupil cost of all divisions or the actual division per pupil cost.
- c. Localities are required to provide a match for these funds based on the composite index of local ability-to-pay.
- d. By October 15 of each year school divisions must provide data to the Department of Education that each participating school has a September 30 pupil/teacher ratio in grades K through 3 that meet the following criteria:

Qualifying School Percentage of Students Approved Eligible for Free Lunch	Grades K-3 School Ratio	Maximum Individual Class Size
16% but less than 30%	20 to 1	25
30% but less than 45%	19 to 1	24
45% but less than 55%	18 to 1	23
55% but less than 65%	17 to 1	22
65% but less than 70%	16 to 1	21
70% but less than 75%	15 to 1	20
75% or more	14 to 1	19

- e. School divisions may elect to have eligible schools participate at a higher ratio, or only in a portion of grades kindergarten through three, with a commensurate reduction of state and required local funds, if local conditions do not permit participation at the established ratio and/or maximum individual class size. Special education teachers shall not be counted towards meeting these required pupil/teacher ratios in grades kindergarten through three.
- f. The Superintendent of Public Instruction may grant waivers to school divisions for the class size requirement in schools that have only one class in an affected grade level in a primary school.
- g. The Superintendent of Public Instruction shall provide a report on the status of the reduction in primary class sizes to the Governor and the Chairmen of the House Appropriations, House Education, Senate Finance, and Senate Education and Health Committees annually, prior to the commencement of the General Assembly session.

K-3 Primary Class Size Reduction Program Payments			
Estimated FY 2006 State Payments Based on HB/SB 29			
Division #	Division	Estimated FY 2006 Payments	Number of Participating Schools
001	ACCOMACK	\$747,396	6
002	ALBEMARLE	\$202,481	8
003	ALLEGHANY	\$174,427	4
004	AMELIA	\$107,959	1
005	AMHERST	\$317,545	6
006	APPOMATTOX	\$221,032	2
007	ARLINGTON	\$424,245	16
008	AUGUSTA	\$569,702	10
009	BATH	\$12,830	2
010	BEDFORD	\$336,185	10
011	BLAND	\$37,598	2
012	BOTETOURT	\$92,261	3
013	BRUNSWICK	\$330,496	4
014	BUCHANAN	\$527,078	6
015	BUCKINGHAM	\$220,258	3
016	CAMPBELL	\$635,698	7
017	CAROLINE	\$363,815	4
018	CARROLL	\$267,961	7
019	CHARLES CITY	\$78,411	1
020	CHARLOTTE	\$256,014	4
021	CHESTERFIELD	\$1,468,188	13
022	CLARKE	\$0	0
023	CRAIG	\$48,004	1
024	CULPEPER	\$367,880	4
025	CUMBERLAND	\$165,436	1
026	DICKENSON	\$255,515	5
027	DINWIDDIE	\$274,369	4
028	ESSEX	\$152,464	1
029	FAIRFAX	\$1,522,803	46
030	FAUQUIER	\$141,849	4
031	FLOYD	\$144,266	4
032	FLUVANNA	\$57,104	2
033	FRANKLIN	\$506,839	11
034	FREDERICK	\$264,011	4
035	GILES	\$187,153	3
036	GLOUCESTER	\$294,621	5
037	GOOCHLAND	\$9,139	1
038	GRAYSON	\$137,602	7
039	GREENE	\$189,866	3

K-3 Primary Class Size Reduction Program Payments			
Estimated FY 2006 State Payments Based on HB/SB 29			
Division #	Division	Estimated FY 2006 Payments	Number of Participating Schools
040	GREENSVILLE	\$206,741	1
041	HALIFAX	\$685,567	11
042	HANOVER	\$274,159	5
043	HENRICO	\$1,582,058	26
044	HENRY	\$802,752	11
045	HIGHLAND	\$0	1
046	ISLE OF WIGHT	\$361,530	4
047	JAMES CITY	\$352,469	7
048	KING GEORGE	\$187,739	3
049	KING QUEEN	\$83,296	2
050	KING WILLIAM	\$128,611	2
051	LANCASTER	\$75,770	1
052	LEE	\$497,997	9
053	LOUDOUN	\$104,213	4
054	LOUISA	\$226,764	3
055	LUNENBURG	\$242,860	2
056	MADISON	\$75,948	2
057	MATHEWS	\$57,632	1
058	MECKLENBURG	\$552,628	6
059	MIDDLESEX	\$46,573	1
060	MONTGOMERY	\$656,087	12
062	NELSON	\$125,572	2
063	NEW KENT	\$0	0
065	NORTHAMPTON	\$255,544	2
066	NORTHUMBERLAND	\$74,582	1
067	NOTTOWAY	\$281,843	3
068	ORANGE	\$230,453	4
069	PAGE	\$276,405	5
070	PATRICK	\$182,313	5
071	PITTSYLVANIA	\$843,231	10
072	POWHATAN	\$0	0
073	PRINCE EDWARD	\$377,411	1
074	PRINCE GEORGE	\$424,642	5
075	PRINCE WILLIAM	\$2,066,672	26
077	PULASKI	\$339,907	6
078	RAPPAHANNOCK	\$0	0
079	RICHMOND	\$100,220	1
080	ROANOKE	\$208,335	5
081	ROCKBRIDGE	\$111,675	4

K-3 Primary Class Size Reduction Program Payments			
Estimated FY 2006 State Payments Based on HB/SB 29			
Division #	Division	Estimated FY 2006 Payments	Number of Participating Schools
082	ROCKINGHAM	\$499,389	10
083	RUSSELL	\$383,387	8
084	SCOTT	\$444,091	7
085	SHENANDOAH	\$269,311	2
086	SMYTH	\$488,791	7
087	SOUTHAMPTON	\$193,875	4
088	SPOTSYLVANIA	\$579,107	7
089	STAFFORD	\$517,130	5
090	SURRY	\$33,685	1
091	SUSSEX	\$180,608	3
092	TAZEWELL	\$810,109	9
093	WARREN	\$300,682	4
094	WASHINGTON	\$538,501	7
095	WESTMORELAND	\$209,663	2
096	WISE	\$839,538	6
097	WYTHE	\$363,368	6
098	YORK	\$143,614	2
101	ALEXANDRIA	\$364,454	13
102	BRISTOL	\$160,808	4
103	BUENA VISTA	\$73,303	2
104	CHARLOTTESVILLE	\$277,535	6
106	COLONIAL HEIGHTS	\$73,718	2
107	COVINGTON	\$66,431	1
108	DANVILLE	\$1,111,689	10
109	FALLS CHURCH	\$0	0
110	FREDERICKSBURG	\$134,117	2
111	GALAX	\$131,486	1
112	HAMPTON	\$2,055,441	19
113	HARRISONBURG	\$342,402	4
114	HOPEWELL	\$678,949	3
115	LYNCHBURG	\$941,311	11
116	MARTINSVILLE	\$300,274	3
117	NEWPORT NEWS	\$4,447,475	28
118	NORFOLK	\$5,810,298	35
119	NORTON	\$44,895	1
120	PETERSBURG	\$968,602	6
121	PORTSMOUTH	\$2,706,432	14
122	RADFORD	\$142,813	1
123	RICHMOND CITY	\$4,130,833	31

K-3 Primary Class Size Reduction Program Payments			
Estimated FY 2006 State Payments Based on HB/SB 29			
Division #	Division	Estimated FY 2006 Payments	Number of Participating Schools
124	ROANOKE CITY	\$1,840,671	19
126	STAUNTON	\$211,695	4
127	SUFFOLK	\$1,141,949	11
128	VIRGINIA BEACH	\$3,453,093	34
130	WAYNESBORO	\$332,833	4
131	WILLIAMSBURG	\$17,488	7
132	WINCHESTER	\$195,111	4
134	FAIRFAX CITY	\$1,821	2
135	FRANKLIN CITY	\$334,879	1
136	CHESAPEAKE	\$1,890,465	13
137	LEXINGTON	\$0	0
138	EMPORIA	\$123,483	1
139	SALEM	\$93,931	2
140	BEDFORD CITY	\$66,117	5
142	POQUOSON	\$0	0
143	MANASSAS	\$382,208	5
144	MANASSAS PARK	\$168,209	1
202	COLONIAL BEACH	\$2,143	1
207	WEST POINT	\$0	0
	*TOTAL:	\$67,224,911	820
<p>*NOTE: In the case of jointly-operated school divisions, participating schools are counted in both localities where funding is received by localities based on each division's per pupil amount, composite index, and number of students attending the affected school. There are 805 unique schools participating for fiscal year 2006.</p>			