Arizona State University, 2005

No Child Left Behind: Where does the money go?

Focus
Examines the various opportunities under NCLB for federal dollars to flow eventually to private, for-profit companies.

Methodology
Analyzed NCLB legislative requirements and roles of private companies; analyzed data on estimated or potential costs of various NCLB mandates.

Major Findings

- A large sum of money under NCLB has flowed through the states and districts into the coffers of private companies and individuals.

- A look at the consequences of failing to meet NCLB requirements reveals the “stunning double standard of the feet-to-the-fire treatment of public schools contrasted with the lax treatment of private corporations that provide materials or services the law requires the schools to use.”

- Under NCLB, several billions of taxpayer dollars are likely to flow each year to private sources for the following opportunities (and estimated amounts):
  - Test development, scoring and reporting: $2.29 billion per year by 2006 (Eduventures estimate)
  - Reading First curriculum adoption: potential annual amount of $1.1 billion, actual amount unknown
  - Curriculum adoption for other curriculum areas and grades: potential and actual amounts unknown
  - School choice and supplemental educational services: potential annual amount of $2 billion, actual unknown
  - Restructuring of low-performing schools: potential and actual amounts unknown
  - Contracting for services to monitor cheating on tests: unknown.
  - Contracting to develop student-tracking databases: unknown.
  - Professional development: unknown.

- No real process of accountability was in place to monitor where the money was spent or how effectively it was spent. History shows that under such conditions money is wasted and fraudulent expenditures are likely.

Where to Obtain
Center on Education Policy, 2008

Title I funds—Who’s gaining, who’s losing: School year 2008-09 update

Focus

Analyzes changes in allocations to states and school districts for school year 2008-09 under Title I, Part A, of ESEA, as amended by NCLB.

Methodology

Analyzed data on Title I allocations to school districts for use in 2008-09, released by the U.S. Department of Education in June 2008.

Major Findings

- **Funds for school improvement.** For school year 2008-09, roughly $1 billion was available to assist schools identified for improvement under NCLB, more than double the amount available for school improvement for school year 2007-08. This increase was the result of 1) growth in overall appropriations for Title I, which enabled states to reserve more funds for the 4% state set-aside for school improvement, and 2) an increase in a special Congressional appropriation for school improvement.

- **Fluctuations.** Title I allocations to states and districts continued to fluctuate substantially as a result of year-to-year changes in census estimates of the numbers of low-income children. Seventeen states had yearly increases of more than 10% in their child poverty estimates. One state that had an increase of more than 30% in its child poverty estimate for the previous year had a 9% decrease for 2008-09.

- **Katrina funds.** Federal assistance to school districts affected by Hurricane Katrina had the unintended consequence of reducing Title I funds to Louisiana and, to a lesser degree, Mississippi.

- **Funds to high-poverty districts.** Changes made in the Title I formula in 2002 that were intended to target significantly more funds to the highest-poverty districts have provided only somewhat more funds to these districts. The amount of increase is limited because approximately 50% of the funds are still distributed under the Basic and Concentration Grant formulas in the law.

Where to Obtain

www.cep-dc.org
Educational architects: Do state education agencies have the tools necessary to implement NCLB?

Focus

Analyzes the funding, staffing, and technological capacity of state education agencies to carry out the accountability demands and other requirements of NCLB.

Methodology

Conducted a survey of 50 states and interviews with 15 high-ranking state education officials from 11 states in 2006-07. Analyzed state policy documents and other research on state capacity issues.

Major Findings

- **Capacity to implement NCLB.** NCLB significantly increased the responsibilities of state education agencies, creating capacity challenges in many states. States with high percentages (26% or more) of schools that missed AYP targets reported having more capacity challenges in implementing NCLB than states with lower percentages.

- **Insufficient staff.** Insufficient staffing was the capacity challenge most often mentioned by states in 2006-07. This particularly affected states’ ability to provide technical assistance to districts with schools in improvement, oversee the activities of these districts, and monitor supplemental educational services. States with populations under 1 million reported being more significantly affected than other states by insufficient staff to assist schools and districts identified for improvement.

- **Federal funding.** Inadequate federal funding was a challenge to most states; 32 states reported that Title I funds were insufficient to improve achievement in schools identified for improvement. Inadequate federal funding challenged the capacity to monitor SES providers to a great extent in 25 states, and challenged the capacity to provide technical assistance to districts to a great or moderate extent in 41 states.

- **Technical assistance.** Only 11 states reported that they were able to provide technical assistance to a great extent to districts with schools in NCLB improvement. Insufficient numbers of staff, lack of in-house expertise, and inadequate federal and state funding were the major impediments to implementing this requirement.

- **Data systems.** States differed in their capacity to create and maintain data systems, but officials in most states agreed that NCLB has put additional strain on the technological capacity of their agency.

- **ED guidance.** Most states noted that guidance about NCLB implementation from the U.S. Department of Education was not very helpful. The ED guidance rated most helpful pertained to Reading First; the least helpful guidance was on monitoring SES.

Where to Obtain

www.cep-dc.org
Focus

Analyzes changes in allocations to states and school districts for school year 2007-08 under Title I, Part A, of ESEA, as amended by NCLB.

Methodology

Analyzed data on Title I allocations to school districts for use in 2007-08, released by the U.S. Department of Education.

Major Findings

- **School improvement funds.** For school year 2007-08, funds for school improvement under NCLB were distributed erratically among the states. Because of the law’s “hold harmless” provision, three states were unable to reserve any funds for the 4% state set-aside for school improvement, and 29 could not reserve the full 4%. The additional, separate appropriation of $125 million for school improvement was expected to help somewhat.

- **Impact of census updates.** The amount of Title I, Part A funding for some states and school districts has fluctuated from year to year due to annual updating of census estimates of the number of children in poverty. Because states’ relative shares of the total number of low-income children shifted, some states received double-digit increases in Title I funding for 2007-08, while others lost substantial funds. These shifts in turn affected how much school districts within a state received.

Where to Obtain

[www.cep-dc.org](http://www.cep-dc.org)
Center on Education Policy, 2006

From the capital to the classroom: Year 4 of the No Child Left Behind Act

Focus

Comprehensive study that describes the federal, state, and local implementation and impact of various provisions of NCLB during school years 2004-05 and 2005-06. Summarized below are the study’s findings about funding.

Methodology

Collected data through a survey of all 50 states, a nationally representative survey of 299 school districts, case studies of 38 geographically diverse districts and 42 schools, three national forums, and six special analyses of critical issues in implementing NCLB.

Major Findings

- **Greater burden, inadequate funding.** States and districts lacked both the funding and the staff capacity to carry out all of the demands of NCLB. Some 80% of the school districts surveyed noted that they had costs for NCLB that were not covered by federal funds. Thirty-three states reported that federal funds were inadequate to assist all schools identified for improvement, and less than half of school districts said they had enough money to assist identified schools at least somewhat. In addition, 36 states reported they did not have enough staff to implement NCLB—a major concern because state agencies were the source that school districts most often turned to for help in implementing NCLB.

Where to Obtain

www.cep-dc.org
**Center on Education Policy, 2005**

*From the capital to the classroom: Year 3 of the No Child Left Behind Act*

**Focus**

Comprehensive study that describes the federal, state, and local implementation and impact of various provisions of NCLB during school years 2003-04 and 2004-05. Summarized below are the study’s findings about impact on curriculum and instruction.

**Methodology**

Collected data through a survey of 49 states, a nationally representative survey of 314 school districts, case studies of 36 geographically diverse districts and 37 schools, three national forums, and four special analyses of critical issues in implementing NCLB.

**Major Findings**

- **Lack of capacity.** A great majority of states—45 states—reported that limited staff size posed a serious or moderate challenge in implementing NCLB, and 31 said that limited staff expertise presented a serious or moderate challenge. Furthermore, 42 states said that providing assistance to all schools identified for improvement was a serious or moderate challenge.

- **Insufficient funding.** Most states and districts indicated that federal funds were not sufficient to carry out all aspects of NCLB. Only 11 states felt NCLB allocations were adequate for them to provide technical assistance to all schools identified for improvement, and just 13 said these funds were sufficient to monitor the quality and effectiveness of supplemental educational service providers. About 80% of the districts surveyed also said they had costs associated with implementing NCLB that were not covered by federal funds, such as the costs of training teachers to meet NCLB qualifications, providing remedial services to students performing below grade level, and carrying out mandatory data collection and analysis. Although NCLB brought extra expenses and mounting federal demands, a large proportion of districts were receiving fewer Title I funds for school year 2004-05 than for the previous year.

**Where to Obtain**

[www.cep-dc.org](http://www.cep-dc.org)
A shell game: Federal funds to improve schools

Focus

Analyzes how the process for reserving Title I funds specifically for improvement activities in identified schools affects the funding available to districts and states for all other Title I activities.

Methodology

Analyzed data from the U.S. Department of Education on school district Title I, Part A allocations for school year 2005-06.

Major Findings

- **Inadequate funds for improvement.** In many states, funds available under the 4% state set-aside for school improvement were insufficient to do the job because of inadequate NCLB appropriations and a “hold harmless” provision in the law that prevents school districts from losing Title I funds as a result of this set-aside.

- **Shell game.** Complying with the school improvement set-aside became a “shell game” in 2005-06. To meet the set-aside without violating the hold harmless, states had to take money away from poorer school districts that were slated to receive increased Title I allocations and give the set-aside funds to other districts that may or may not have had as much poverty. The very districts that were supposed to get more Title I money because of their greater poverty actually received smaller or no increases due to the school improvement set-aside.

- **Shortfalls in improvement set-aside.** In 2005-06, at least 10 states could not reserve the full 4% for school improvement required by law. In another 5 states, the 4% set-aside used up almost all of the funding increases that school districts in the state had expected to receive.

- **Possible solution.** This problem was expected to worsen in 2006-07 because of a decrease in Title I appropriations. But the problem could be solved if Congress would appropriate funds for school improvement through a special authorization in the Title I law for this purpose and would provide adequate total appropriations for NCLB.

Where to Obtain

www.cep-dc.org
Center on Education Policy, 2006

Title I funds—Who’s gaining, who’s losing: School year 2006-07 update

Focus

Analyzes changes in allocations to states and school districts for school year 2006-07 under Title I, Part A, of ESEA, as amended by NCLB.

Methodology

Analyzed data on the final 2006-07 Title I, Part A allocations released by the U.S. Department of Education.

Major Findings

- **Funding cuts and freezes.** About 90% of the nation’s school districts participating in Title I had their Title I funding cut or frozen for school year 2006-07. Half the states also lost funding. After the mandatory state set-aside for school improvement was applied, only 10% of districts were expected to receive Title I funding increases. The cause of these cuts and freezes was a stagnant level of federal appropriations for two years.

- **More poverty and more local responsibilities.** These reductions and freezes for districts occurred at a time when the number of low-income children in the U.S. had risen and when the federal government was demanding more of schools and districts through NCLB.

- **School improvement funds.** Because of stagnant appropriations, states were slated to receive only 60% of the funds they could have received under NCLB to assist schools identified for improvement. However, NCLB requires states to assist all such schools, regardless of how much funding is available.

Where to Obtain

[www.cep-dc.org](http://www.cep-dc.org)
Center on Education Policy, 2005

Title I funds—Who’s gaining and who’s losing: School year 2005-06 update

Focus

Analyzes changes in allocations to states and school districts for school year 2005-06 under Title I, Part A, of ESEA, as amended by NCLB.

Methodology

Analyzed data on the 2005-06 Title I, Part A allocations released by the U.S. Department of Education

Major Findings

- **Gains and losses.** Although federal appropriations for Title I increased by 3% over the preceding year, about two-thirds of the school districts that participated in the Title I program received fewer funds for 2005-06 than they had the previous year. The number of districts losing Title I funding grew significantly between 2004 and 2005. Nine states also had reductions in federal Title I funds, while 41 states, the District of Columbia, and Puerto Rico had gains.

- **Shifts in funding.** The shifts in funding levels among school districts and states were mostly due to differences among districts in their numbers of poor children, as determined by annual estimates from the Census Bureau. These shifts were also related to the allocation formulas used to distribute new funds to districts with the highest concentrations of low-income children. As a result, more federal dollars were directed to districts with large concentrations of students from low-income families.

- **Increased poverty and more responsibilities.** These reductions occurred at a time when the federal government was demanding more of districts and states through NCLB. In addition, the number of children in poverty grew by 6%, which meant that fewer Title I dollars were available for each poor child.

Where to Obtain

www.cep-dc.org
The Civil Rights Project at Harvard University, 2006

Massive responsibilities and limited resources: The state response to NCLB

Focus

Examines how states are meeting NCLB requirements and if they reallocate resources in ways that will meet the law’s ambitious educational goals. Tests the assumption that state capacity is adequate and that reallocation of existing resources would suffice to meet the NCLB requirements.

Methodology

Analyzed states’ responsibilities under NCLB and evidence about the strains on state capacity in many states. Examined how states negotiated tensions between limited resources and increased demands.

Major Findings

- **Enormous responsibilities, few resources.** A striking lack of resources was available for states to carry out the enormous responsibilities placed on them by NCLB and to accomplish the law’s extraordinary goals.

- **States’ good faith efforts.** Facing immense challenges, state administrators did their best to comply with the law. States focused most on implementing the mandates for data collection, testing requirements, and other procedural aspects of the law because these were spheres of action that administrators could actually control. For the most ambitious goals of implementing large-scale interventions that produced fast and consistent gains, the law provided few resources.

- **Declining staff in some states.** It was not unusual for state education agencies to experience a decline in the number of staff that started before NCLB and continued through the first years of implementation.

- **Division of authority among state players.** The division of authority over education between governors, chief state school officers, and state legislatures added complexity to the administrative tasks of state education agencies.

- **Federal sanctions.** States tried to avoid or limit the consequences of federal sanctions for non-compliance. The initiative to implement drastic school-level interventions increasingly passed from professionals to politicians as schools, teachers, and communities risked a loss of reputation and as educators were threatened with sanctions that often seemed disproportionate and counterproductive.

Where to Obtain

http://www.law.berkeley.edu/files/Massive_Responsibilities_Sunderman_Orfield.pdf
Focus

Examines the extent to which states and school districts are taking advantage of the provisions in NCLB that allow them the flexibility to take funds allocated for certain federal education programs and use them instead for other federal education programs.

These flexibility programs include 1) the Rural Education Achievement Program (REAP Flex) for small rural districts; 2) the Local Flex program, which allows a competitively selected group of school districts to consolidate funding from certain programs; 3) the State Flex program, which allows a limited number of states, with permission of the Secretary of Education, to consolidate certain federal education funds; and 4) the Transferability provisions, which allow districts to transfer up to 50% of their initial federal formula allocations into and out of several specific programs.

Methodology

 Analyzed data from on a U.S. Department of Education survey of school districts conducted in 2005-06.

Major Findings

- **Limited use of flexibility provisions.** The caps on the number of states and districts permitted to take part in the flexibility programs were unnecessary. Only one district participated in the Local Flex program, and no state participated in State Flex. Even with the broad qualification requirements for the Transferability option, only 16% of eligible districts participated. REAP-Flex was the only program with substantial participation; 51% of eligible rural districts participated.

- **Reasons for not using Transferability.** Thirty-five percent of districts that didn’t use the Transferability option said the amount of money eligible to transfer was insufficient to make an impact, while 44% said they already had enough funding flexibility prior to NCLB. Nearly half the non-participating districts said they lacked information or were confused about how the flexibility programs work.

- **Programs receiving funds.** When money was reallocated it was overwhelmingly taken from the federal programs for teacher quality and safe and drug-free schools. It was redirected into programs for poor students, technology, and—most frequently—innovative programs. Perhaps not coincidentally, the innovative programs part of the law gives districts the widest latitude in use of funds.

- **Reasons for low participation.** Several factors may contribute to the low participation in the flexibility programs. Federal funding often constitutes only a small percentage of local budgets, especially in more affluent communities. In addition, to protect funding for low-income children, flexibility provisions wall-off programs with the most funding, especially the Title I program. Other large categorical programs, such as vocational education and special education, are not included in the flexibility programs. Finally, many states and districts appear more interested in modifications to NCLB's accountability and teacher quality provisions than to the federal funding streams. None of the NCLB flexibility programs permit states or school systems to sidestep the law's accountability requirements.
• **Future outlook.** States need to do a better job informing schools about flexibility options and their benefits. Many districts, however, expect never to use the programs because they lack the need or do not see flexibility as a means to reaching accountability standards.

**Where to Obtain**

http://www.educationsector.org/analysis/analysis_show.htm?doc_id=509534
Focus

Looks at the implementation of three programs under NCLB that afford school districts flexibility in their uses of federal education funds:

1. The Rural Education Achievement Program (REAP Flex), which allows eligible small rural school districts to use funding from certain federal programs for other federal programs
2. The Transferability provisions, which allow districts to transfer up to 50% of their initial federal formula allocations into and out of several specific programs authorized by ESEA
3. The Local Flex program that allows a competitively selected group of school districts to consolidate funding from a set of eligible federal programs

Methodology

Conducted a survey in a nationally representative sample of 372 school districts, supplemented by 12 case study interviews in a small subset of districts. The data were collected during school year 2005-06.

Key Findings

- **REAP Flex.** REAP Flex was widely used. Rural districts were highly likely to participate in REAP Flex but less likely to participate in Transferability or Local Flex.

- **Receiving programs.** Transferability and REAP Flex most commonly used flexibility to provide funds for programs under Title I-A (education of disadvantaged children) and Title V-A (innovative programs) of ESEA, as amended by NCLB. They most often took funds from Title II-A (teacher quality) or Title IV-A (safe and drug-free schools).

- **Technical assistance source.** Districts most commonly relied on their states for information about and technical assistance with Transferability and REAP Flex.

- **Reasons for participating.** Districts usually participated in the three flexibility programs to target funds on areas of need that would allow them to make adequate yearly progress. Rural districts found the flexibility programs particularly useful because they often receive small allocations for programs and face funding constraints associated with declining student enrollments.

- **Reasons for not participating.** Districts that did not participate in the flexibility programs gave as their two main reasons a lack of information or an inability to see clear benefits from the programs. The application process in Local Flex also discouraged districts from participating. Ensuring that districts have more accurate information and can better distinguish among the flexibility programs would likely increase participation.

Where to Obtain

Focus

Comprehensive study that describes the progress of states, districts, and schools through school year 2004–05 in implementing key provisions of Title I. Summarized below are the study’s findings about funding.

Methodology

Drew on data from a set of implementation studies by the U.S. Department of Education. Data for these studies came from surveys conducted in a nationally representative sample of school districts, other state and local surveys, state performance reports, and the National Assessment of Educational Progress.

Major Findings

- **What Title I funds buy.** In 2004-05, most Title I funds were used for delivering instruction (73%), supporting the hiring of teachers (49%) and instructional aides (11%), and providing instructional materials and computers (12%). Sixteen percent of the funds were used for instructional support, and 11% for program administration and other support costs such as facilities and transportation costs.

- **Funds distribution.** Title I funds were much more targeted to the highest-poverty districts than were state and local funds or federal education funds overall. Districts in the highest-poverty quartile received 52% of all Title I funds in 2004-05, more than double their share of state and local funds (22%) and greater than their share of federal education funds overall (39%). The highest-poverty schools (those with 75-100% low-income students) received 38% of Title I school allocations, while 6% of the funds went to low-poverty schools.

- **Targeting to high-poverty districts.** The share of funds received by the highest-poverty quartile of districts changed very little after enactment of NCLB (52% in 2004-05, versus 50% in 1997-98). In the highest-poverty schools, Title I funding per low-income student remained unchanged between 1997-98 and 2004-05 after adjusting for inflation. The highest-poverty schools also continued to receive smaller Title I per pupil allocations ($558) than did low-poverty schools ($763).

- **Secondary school funding.** Secondary schools were less likely to receive Title I funds than elementary schools; 40% of middle schools and 27% of high schools received Title I funds, compared with 71% of elementary schools. The average allocation per low-income student was also less in secondary schools—$502 in middle schools and $451 in high schools, compared with $664 in elementary schools.

Where to Obtain


After five years: Revisiting the cost of the No Child Left Behind Act

Focus

Seeks to determine the degree to which the assertion is true that NCLB Act’s 588 mandates are underfunded.

Methodology

Reviewed 17 state and local studies of new administrative costs—the costs to develop and administer new programs that didn’t exist before NCLB. Also reviewed 55 state-level “adequacy” studies that sought to determine how much money would be needed to ensure children reach the standards states have developed for NCLB accountability.

Major Findings

- **New state administrative costs.** A sum exceeding all new monies from the federal government would be needed to fund state NCLB-mandated bureaucracies. Although new administrative costs of individual states varied, they represented approximately 2.5% of all expenditures. Averaged across the nation, an estimated $24.4 billion would have been needed for fiscal year 2005 to cover these new administrative costs—more than the total Title I appropriation for that year. This would leave no new money for actually teaching children.

- **New local administrative costs.** New local administrative costs were conservatively estimated to be another 2.5% of total spending. As a result, new money does not find its way into services for children. Whether the new and costly bureaucratic requirements of planning, communications, data analysis, and the like will have a direct and positive causal effect on improved test scores is a question yet to be answered.

- **Costs of adequately educating students.** The NCLB adequacy studies indicate that education funding increases of 20% to 40% would be needed to adequately prepare children to meet standards. The median spending increase suggested by the adequacy studies is 27.5%. In estimating the costs of NCLB, the current adequacy studies also conclude, almost universally, that anti-poverty programs are essential if the nation is to meaningfully achieve the NCLB promise.

- **Total costs to meet NCLB requirements.** Taken together, the 72 studies suggest that a national funding increase of more than 32%—or about $158.5 billion in fiscal year 2005 dollars—would be needed to meet the additional costs of fulfilling the requirements of NCLB. By any measure, the federal appropriations have fallen far short of the needs. Without such investments, children in low-spending, low-performing states and poor and non-English speaking children will be left behind.

Where to Obtain

http://www.vsse.net/?q=node/269