

February 2008

NO CHILD LEFT BEHIND ACT

Education Actions Could Improve the Targeting of School Improvement Funds to Schools Most in Need of Assistance





Highlights of [GAO-08-380](#), a report to congressional requesters

Why GAO Did This Study

Under the No Child Left Behind Act (NCLBA), the federal government provides millions of dollars annually to assist schools that have not met state academic goals. In the 2006-2007 school year, over 10,000 such schools were identified for improvement. NCLBA requires states to set aside 4 percent of their Title I funds to pay for school improvement efforts. GAO was asked to determine (1) the extent to which states have set aside these funds and used other resources for school improvement, (2) which schools received improvement funds and the extent funds are tracked, (3) the activities states and schools have undertaken and how activities are assessed, and (4) how Education supports states' improvement efforts. GAO administered a survey to state education officials and received a 100 percent response rate, matched survey data to an Education database, and conducted site visits to five states.

What GAO Recommends

GAO recommends that Education review its monitoring to ensure that states comply with NCLBA requirements for allocating school improvement funds for district-level activities and prioritizing funds to the lowest achieving schools, provide guidance on when and how states are to make information available about which schools receive improvement funds, and analyze the effects of removing a hold-harmless provision on those districts protected by it. Education agreed with these recommendations.

To view the full product, including the scope and methodology, click on [GAO-08-380](#). For more information, contact Cornelia Ashby at (202) 512-7215 or ashbyc@gao.gov.

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What GAO Found

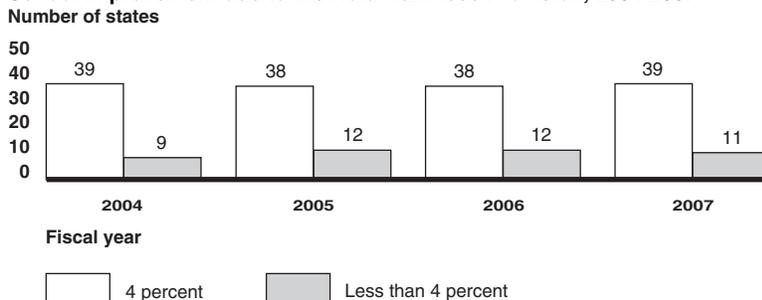
A statutory requirement—known as a hold-harmless provision—has limited some states' ability to target the full 4 percent of Title I funds for school improvement to low-performing schools. However, many states have used other federal and state funds for this purpose. While the hold-harmless provision is designed to protect school districts from reductions in their Title I funding, it has also kept 22 states from setting aside the full portion of Title I school improvement funds since 2002 because they did not have enough funds to do so after satisfying the hold-harmless provision. To address this, Education has proposed repealing the hold-harmless provision. However, it is not known how removing this provision would affect districts protected by it. In addition to Title I funds, 38 states have dedicated other federal funds, and 17 have contributed state funds for school improvement.

Though states generally target improvement funds to the most persistently underperforming schools, some states did not fulfill key NCLBA requirements. Specifically, 4 states did not follow all requirements to ensure that schools most in need of assistance received funds. Although Education monitors how states allocate improvement funds, it did not identify this issue. Also, 4 states were unable to provide a complete list of schools that received improvement funds, as required by law. Education has not provided guidance on this requirement and does not monitor compliance with it.

Schools and states are engaged in a variety of improvement activities, and most states use student data and feedback to assess activities. Most states reported that schools receiving improvement funds used the funds for professional development and for reorganizing curriculum or instruction time. Nearly all states assisted schools with school improvement plans and professional development. Most states use student achievement data and feedback from schools and districts to assess improvement activities.

Education provides a range of support for school improvement, including technical assistance and research results. Nearly all states want more help, such as more information on promising improvement practices. Education has a new Web site to provide additional resources and plans to collect more information on promising practices through a new grant program.

Number of States That Could and Could Not Set Aside Full 4 Percent of Title I Funds for School Improvement due to the Hold-Harmless Provision, 2004-2007



Source: GAO survey of states.

Note: Totals do not add to 51 because some states did not set aside the full amount due to reasons other than the hold-harmless provision.

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Abbreviations

AYP	adequate yearly progress
CCD	Common Core of Data
CSR	Comprehensive School Reform
CSPR	Consolidated State Performance Reports
ESEA	Elementary and Secondary Education Act of 1965
IASA	Improving America's Schools Act of 1994
NCES	National Center for Education Statistics
NCLBA	No Child Left Behind Act of 2001
SES	supplemental educational services

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United States Government Accountability Office
Washington, DC 20548

February 29, 2008

The Honorable Tom Harkin
Chairman
The Honorable Arlen Specter
Ranking Member
Subcommittee on Labor, Health and Human
Services, Education, and Related Agencies
Committee on Appropriations
United States Senate

Over the past 40 years, the federal government has invested billions of dollars annually in grants to states and school districts to improve educational opportunities for economically disadvantaged students. The most recent reauthorization of the Elementary and Secondary Education Act of 1965 (ESEA), known as the No Child Left Behind Act of 2001 (NCLBA), sought to hold schools, districts, and states accountable for student progress.¹ Specifically, states are required to develop academic standards and tests, measure student proficiency in certain grades and subjects, and determine whether schools are meeting proficiency goals. Schools that fail to meet state academic goals for 2 or more years are to be identified for improvement and are required to take a series of actions intended to improve student performance. The number of schools identified for improvement under NCLBA increased from about 8,400 in school year 2004-2005 to over 10,700 in 2006-2007, and if this trend continues, more schools will be identified for improvement in the future. To assist these schools, NCLBA requires states to set aside 4 percent of their Title I funds to help pay for school improvement efforts, which in fiscal year 2005-2006 totaled close to \$500 million nationally. States are required to target funds to districts that serve the lowestachieving schools, have the greatest need for assistance, and are committed to using funds to help their lowest performing schools meet annual goals.² However, the availability of these funds may be limited because of a hold-harmless provision that prevents states from giving any district less Title I funds

¹ Pub. L. No. 107-110.

² 20 U.S.C. § 6303(c).

than it did in the previous year as a result of setting aside improvement funds.³

While states have spent over a billion federal dollars on school improvement since NCLBA was enacted in 2002, questions remain about how Title I school improvement dollars are allocated and expended, or the types of improvement activities schools use and find effective. Further, in a report accompanying the fiscal year 2006 appropriations bill for the Department of Education (Education) and other departments, the Senate Appropriations Committee expressed concern about the hold-harmless provision and its effect on high-poverty districts as well as states' ability to set aside the full 4 percent.⁴ To shed light on these issues and to assist Congress in the reauthorization and funding of NCLBA, you asked GAO to determine (1) the extent to which states have been able to set aside Title I school improvement funds and dedicated other federal and state funds to school improvement since NCLBA was enacted, (2) the schools to which states targeted school improvement funds and the extent to which these funds are tracked, (3) the types of activities that states and schools have undertaken to improve schools and how these strategies are being assessed, and (4) how Education provides support to help states make the best use of school improvement funds.

To do this work, we administered a survey to state education agency officials in all 50 states and the District of Columbia between July and October 2007 and received a 100 percent response rate. Because national information is not available on states' expenditures of school improvement funds, we collected this information through our survey. In addition, we requested information from each state on the schools receiving improvement funds and linked data on these schools to Education's Common Core of Data (CCD) to identify school characteristics. Three states were unable to provide this information, and 1 state provided partial information, so our data on school characteristics are presented for only

³ 20 U.S.C. § 6303(e). Title I allocations are made by formula to districts based in large part on the number of children from families below the poverty line in a district and thus may vary from year to year. The hold-harmless provision protects school districts from resulting declines when states calculate Title I set-asides for school improvement. As a result, after district allocations are determined, only district funding increases are available for the 4 percent set -aside. Thus, the effect of the set-aside and the hold-harmless provision is to reduce Title I funds for some districts but not others.

⁴ S.Rep. 109-103, at 229 (2005).

those states that provided this information.⁵ We reviewed both the survey data and the lists of schools receiving improvement funds for obvious inconsistencies, errors, and completeness. When we found discrepancies, we brought them to the attention of state officials and worked with them to correct the discrepancies before conducting our analyses. On the basis of these efforts, we determined that the survey data and lists of schools were sufficiently reliable for the purposes of this report. We also conducted site visits to 5 states—California, Georgia, Michigan, New Mexico, and Ohio—which were selected based on having high percentages of schools identified for improvement, variation in Title I set-aside funding allocation methods and administrative structures, and geographic diversity. We met with state officials in each state and, to understand the local perspective, we met with officials in 12 districts and 22 schools. Districts and schools were selected to provide variety in student demographics, locale, and stage of improvement.⁶ We interviewed Education officials and reviewed relevant federal laws, guidance, and monitoring tools to learn about federal requirements for school improvement funds and efforts to monitor these funds and activities. We also interviewed officials from national interest groups and researchers and reviewed published research and reports about school improvement funding and activities. See appendix I for more information about our survey and other data collection methods. We conducted our work from January 2007 through February 2008 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Results in Brief

A statutory requirement has limited some states' ability to target the full 4 percent of Title I funds for school improvement to low-performing schools. However, many states have used other federal and state funds for

⁵ Arkansas, Florida, and North Carolina provided information on districts that received funds, but could not provide information on which schools received funds, and California provided a partial list of schools that received funds.

⁶ In each state, we met with officials in at least two districts and at least four schools. In one state we met with officials from four districts, and in several states, we met with officials from additional schools to gain perspective from a broad range of schools identified for improvement.

this purpose. While the 4 percent set aside does not affect the total amount of Title I funds a state receives, the statutory requirement known as the hold-harmless provision can affect how those funds are allocated within a state. Specifically, when states set-aside funds for school improvement, the hold-harmless provision prevents the state from reducing the Title I funding for any school district from the previous year. Sometimes, after taking into consideration the hold-harmless provision, there are not enough funds available from those districts with increasing Title I allocations to cover the full 4 percent set-aside. Specifically, we found that 22 states have been unable to set aside the full 4 percent of Title I funds for 1 or more years since NCLBA was enacted because of the hold-harmless provision. Six of these—Florida, Kansas, Kentucky, Maine, Massachusetts, and Michigan—have been unable to set aside the full amount for 3 or more years. The change in available funds from year to year can make it difficult for affected states to provide steady assistance to schools in need of improvement, and some states have held back funds in some years to ensure that funds would be available in the future. Education, recognizing challenges associated with the hold-harmless provision, has proposed repealing the provision in the past and has raised this issue again as part of its proposed revisions to NCLBA, which is currently being considered for reauthorization. In addition to the Title I funds for school improvement, 38 states have dedicated other federal funds, and 17 have contributed state funds to school improvement efforts. Since 2002, state funds supporting school improvement activities have totaled almost \$2.6 billion, compared to nearly \$1.3 billion in Title I improvement funds nationwide for this period.

Though states generally target improvement funds to the most persistently underperforming schools, some states did not fulfill all NCLBA requirements for allocating or tracking funds. Overall, we found that in 2006 states provided schools in restructuring nationwide a median grant of about \$40,000 more than for schools in corrective action. In addition, schools that received Title I school improvement funds had higher percentages of low-income and minority students than all other Title I schools. To allocate school improvement funds, 37 states used state-established criteria, which included factors such as the number of years schools have been identified as needing improvement; 2 states used a competitive grant process; and 8 used some other method. However, we found that 4 states reported that they required funds be allocated equally to schools and may not have taken into consideration factors required by NCLBA, such as focusing on the lowest-achieving schools. In addition, during our site visits, we found that 1 state allocated Title I improvement funds to districts in improvement with no schools in improvement without

determining first that it had excess improvement funds, as required by NCLBA. We referred this issue to Education for follow-up. Although Education monitors how states allocate improvement funds, it did not identify these issues during its state monitoring efforts. Also, 4 states could not provide the required list of all schools in their state that received improvement funds. Education has not provided guidance on how states should make lists of schools receiving funds publicly available and does not monitor states' compliance with this requirement.

Schools and states that received funds have undertaken a variety of improvement activities, and most states assess these activities through reviewing changes in student achievement and feedback from district and school officials. For school year 2006-2007, 45 states reported that schools that received improvement funds were engaged in professional development, reorganizing curriculum or instructional time, or data analysis using student assessment information. Schools in all 5 states we visited cited the importance of professional development, and several noted that school improvement funds helped them participate in training that would not have been available otherwise. Nearly all states reported that they help schools identified for improvement with school improvement plans and professional development, and officials in 42 states consider this assistance key to helping schools improve. For some activities, such as support from school support teams, more states provided this assistance to schools in corrective action or restructuring than to those required to offer public school choice and supplemental educational services. To assess school improvement activities, 42 states reported that they analyze student achievement data or track school performance trends, and 36 of those states also use feedback from school and district officials.

Education provides various forms of support related to school improvement, including some new efforts aimed at areas in which states want more help. Education staff provide direct assistance with school improvement to states through written guidance, policy letters, and national meetings or conferences. Education also offers support through its comprehensive centers, which provide technical assistance and research results to states on developing approaches for improving schools. In addition, Education provides information on school improvement strategies through its Web-based What Works Clearinghouse. State officials reported that Education's written guidance, nationwide comprehensive centers, and national conferences were the most helpful forms of assistance and the What Works Clearinghouse was relatively less helpful. Some state and district officials we visited said that it is difficult to

figure out how to translate the research on the clearinghouse into practical application in the classroom. At the same time, 48 states also reported that they could benefit from more assistance such as additional national or regional meetings to share lessons learned and promising practices. Education has begun some new efforts that are aimed at addressing these areas, including the development of a Web site to provide additional resources intended to help educators adapt and use the research-based practices on the What Works Clearinghouse. In addition, Education is planning to collect information on how states assess school improvement activities as part of a new school improvement grants program that was authorized under NCLBA but was funded for the first time in 2007.

To enhance state efforts to target school improvement funds to schools most in need of assistance, we recommend that Education review the Title I monitoring process to ensure that steps are in place to ensure that states comply with requirements in the statute for allocating funds to districts for district-level activities and prioritizing funds to the lowest-achieving schools. We also recommend that Education provide guidance to clarify when and how states are to make information about which schools receive Title I improvement funds available and track state compliance with this requirement. Finally, to provide further support for its proposal to eliminate the hold-harmless provision, we recommend that Education develop an analysis comparing the characteristics of districts that contribute to the set-aside with those protected by the hold-harmless provision. Education agreed with our recommendations and stated it would explore options for analyzing additional data related to eliminating the hold-harmless provision, improving its monitoring process, and providing additional guidance to states regarding disclosure of schools receiving Title I improvement funds. Education also identified some of the steps it has taken to collect additional information on the allocation and use of school improvement funds and to identify successful school improvement strategies.

Background

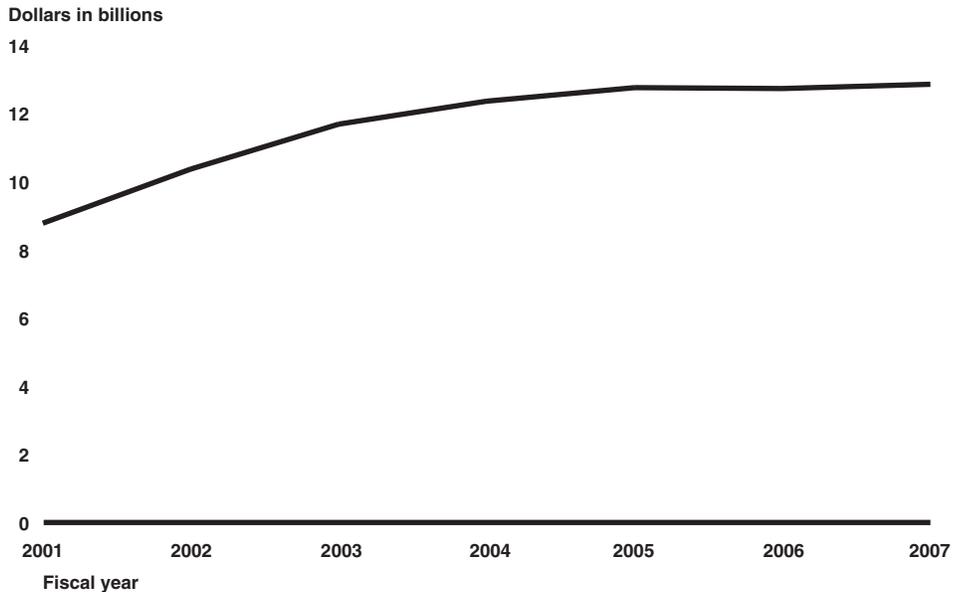
Under NCLBA, states are required to hold their Title I schools accountable for students' performance by developing academic standards and tests, measuring student proficiency in certain grades and subjects, and determining whether schools are meeting proficiency goals. Schools that have not met state established goals for 2 or more consecutive years are identified as in need of improvement and must implement certain activities meant to improve student academic achievement. NCLBA also requires states to set aside Title I funds to assist schools in implementing improvement activities.

Title I

Title I of the Elementary and Secondary Education Act (ESEA), as amended and reauthorized by NCLBA, authorizes federal funds to help elementary and secondary schools establish and maintain programs that will improve the educational opportunities of economically disadvantaged children.⁷ Title I is the largest federal program supporting education in kindergarten through 12th grade, supplying an estimated \$12.8 billion in federal funds in fiscal year 2007. Appropriations for Title I grew rapidly in the years following the enactment of NCLBA, from about \$8.8 billion in fiscal year 2001 to \$12.3 billion in 2004. However, Title I funding growth slowed between 2004 and 2007. (See fig. 1.) Title I funds are allocated through state educational agencies to districts using statutory formulas based primarily on Census Bureau estimates of the number of students from families below the poverty line in each district. States retain a share for administration and school improvement activities before passing most of the funds on to school districts. In turn, districts are required to allocate Title I funds first to schools with poverty rates over 75 percent in rank order, with any remaining funds distributed at their discretion to schools in rank order of poverty either districtwide or within grade spans. A school's Title I status can change from year to year because school enrollment numbers and demographics vary over time, and annual allocations to districts under Title I formulas can vary considerably.

⁷ In this report, we refer to Title I, Part A of the ESEA, as amended, as "Title I." Other parts of Title I (Parts B through I) are targeted at specific populations or purposes and are commonly referred to by their program names, such as Even Start or Comprehensive School Reform.

Figure 1: Title I Grants to Local Education Agencies, 2001-2007



Source: Education.

School Improvement under NCLBA

In 2002, NCLBA added several new provisions to the ESEA, as amended, to strengthen accountability of all schools identified for improvement, which included requiring states to develop academic achievement standards and establish proficiency goals for making adequate yearly progress (AYP) that will lead to 100 percent of their students being proficient in reading, mathematics, and science by 2014.⁸ To measure their progress, states administer an annual assessment to students in most grade levels.⁹ In addition, each school's assessment data must be disaggregated in order to compare the achievement levels of students

⁸ States set their own academic standards for what constitutes proficiency. NCLBA does, however, require states to set two standards for high achievement—"advanced" and "proficient," to reflect a degree of mastery—and to set another standard for "basic" achievement to indicate the progress of the lower-achieving children toward mastering their state standards.

⁹ Students in grades 3 to 8 must be annually assessed in mathematics and reading or language arts, while high school students are only required to be assessed once in these subjects. Assessments in science, which were first required under NCLBA in school year 2007-2008, are required at least once in grades 3 to 5, grades 6 to 9, and grades 10 to 12. In addition to annual assessments, high schools must include students' graduation rate, and elementary and middle schools must include one other academic indicator determined by the state to assess whether they made AYP.

within certain designated groups with the state's performance goals. These student groups include the economically disadvantaged, major racial and ethnic groups, students with disabilities, and those with limited English proficiency, and each of these groups generally must make AYP in order for the school to make AYP.

The last reauthorization of ESEA prior to NCLBA—the Improving America's Schools Act of 1994 (IASA)—required that schools be identified for improvement if they did not make AYP for 2 consecutive years and that they take certain actions to improve student performance. NCLBA also includes a timeline for implementing specific interventions based on the number of years a school fails to make AYP and adds some interventions that were not required under IASA. (See table 1.) Under NCLBA, schools that fail to make AYP for 2 consecutive years are identified for improvement and must develop an improvement plan in consultation with the district, school staff, parents, and outside experts. This plan, which is subject to district approval, must incorporate strategies to address the specific academic issues that caused the school to be identified for improvement. At this stage districts also must offer students in the school the opportunity to transfer to a higher-performing public school in the district—an option that is called offering public school choice. After the third year, districts must also offer supplemental educational services (SES), such as tutoring. Under NCLBA, if a school fails to make AYP for 4 consecutive years, it is required to implement one of the corrective actions identified in the law, such as implementing a new curriculum or extending the school year or day. Finally, if a school fails to make AYP for 5 or more years it must make plans to restructure its governance and implement those plans. Schools exit improvement status if they make AYP for 2 consecutive years. In addition, all schools identified for improvement are required to spend at least 10 percent of their Title I funds on professional development for the school's teachers and principal as appropriate.

Table 1: Timeline for Implementing Interventions for Schools That Do Not Make Adequate Yearly Progress

Adequate yearly progress	School status in the next year	NCLBA interventions for Title I schools
First year missed	Not applicable	None
Second year missed	Public school choice (first year of improvement)	Required to offer public school choice ^a
Third year missed	SES (second year of improvement)	Required to offer public school choice and SES
Fourth year missed	Corrective action (third year of improvement)	Implement certain corrective actions and offer public school choice and SES
Fifth year missed	Planning for restructuring (fourth year of improvement)	Plan for a change in governance and offer public school choice and SES ^b
Sixth year missed	Implementation of restructuring (fifth year of improvement)	Implement a change in governance and offer public school choice and SES

Source: GAO analysis of NCLBA and Education's regulations.

^aAt this stage, the school must also develop the school improvement plan.

^bWhile NCLBA does not require that corrective actions must be continued after a school enters restructuring, Education officials noted that in practice, many schools continue corrective actions after entering restructuring status.

Both Districts and States Provide Technical Assistance to Schools in Improvement

School districts bear the primary responsibility for ensuring that their schools in improvement receive technical assistance. Specifically, districts must ensure that each school identified for improvement receives assistance based on scientifically based research in three areas: analysis of student assessment data, identifying and implementing instructional strategies, and analysis of the school budget, as shown in table 2.

Table 2: NCLBA Technical Assistance Districts Are Required to Ensure for Schools Identified for Improvement

Data analysis

The district must ensure that school staff receive assistance in analyzing student assessment data to identify and develop solutions in areas such as

- instructional deficiencies
- parental involvement and professional development requirements, and
- implementing the school improvement plan.

Identification and implementation of strategies

The district must ensure that the school receives help to identify and implement

- instructional strategies and methods that are grounded in scientifically based research and address specific issues that caused the school to be identified for improvement,
- professional development relevant to implementation of such strategies and methods.

Budget analysis

The district must ensure that the school is provided with

- assistance in analyzing and revising its budget to fund activities most likely to increase student academic achievement.

Source: GAO analysis of NCLBA and Education's regulations.

States provide technical assistance to districts and schools through their statewide systems of support, with a priority given to those in improvement status. In developing their statewide system of support, the state educational agency must (1) establish school support teams that include individuals who are knowledgeable about scientifically based research and practice to assist schools throughout the state that are identified for improvement in areas such as strengthening instructional programs; (2) designate and use distinguished teachers and principals who are chosen from Title I schools and have been especially successful in improving academic achievement; and (3) devise additional approaches to improve student performance, for example, by drawing on the expertise of other entities such as institutions of higher education, educational service agencies, or private providers of scientifically based technical assistance.

States Are Required to Set Aside a Percentage of Their Title I Funds to Support School Improvement Activities

NCLBA requires states to set aside a portion of Title I funds to allocate to districts for use by and for schools for school improvement activities and to carry out the state's responsibilities for school improvement. In fiscal years 2002 and 2003, states were required to reserve 2 percent of the Title I funds for school improvement, and in fiscal years 2004 to 2007, states were required to reserve 4 percent.¹⁰ However, states may not always be able to reserve the full amount for school improvement because of a hold-harmless provision that prevents states from reducing the amount of Title I funds any district receives from what it received the prior year. The hold-harmless provision is intended to protect school districts from declines in Title I funding from year to year, by preventing the state from giving them less funds than the year before. If the total increase in Title I funds from districts with increasing allocations is less than 4 percent of a state's total Title I allocation, then that state would not be able to set aside the full 4 percent of Title I funds for school improvement.

States are generally required to allocate 95 percent of the 4 percent set-aside to districts for schools identified for improvement. States may use the remaining 5 percent of the 4 percent set-aside to carry out their responsibilities related to school improvement, including creating and maintaining their statewide system of support.¹¹ (See fig. 2.) NCLBA establishes priorities and requirements for the distribution of school improvement funds to districts. Specifically, under NCLBA states must give funding preference to districts that serve the lowest-achieving schools, demonstrate the greatest need for assistance, and demonstrate the strongest commitment to using the funds to assist their lowest-performing schools with meeting progress goals.¹² States may either allocate these funds directly to districts for schools identified for improvement to be used for activities required under the school improvement section of the law or, with the permission of districts, retain funds to provide for these activities for schools identified for improvement.¹³

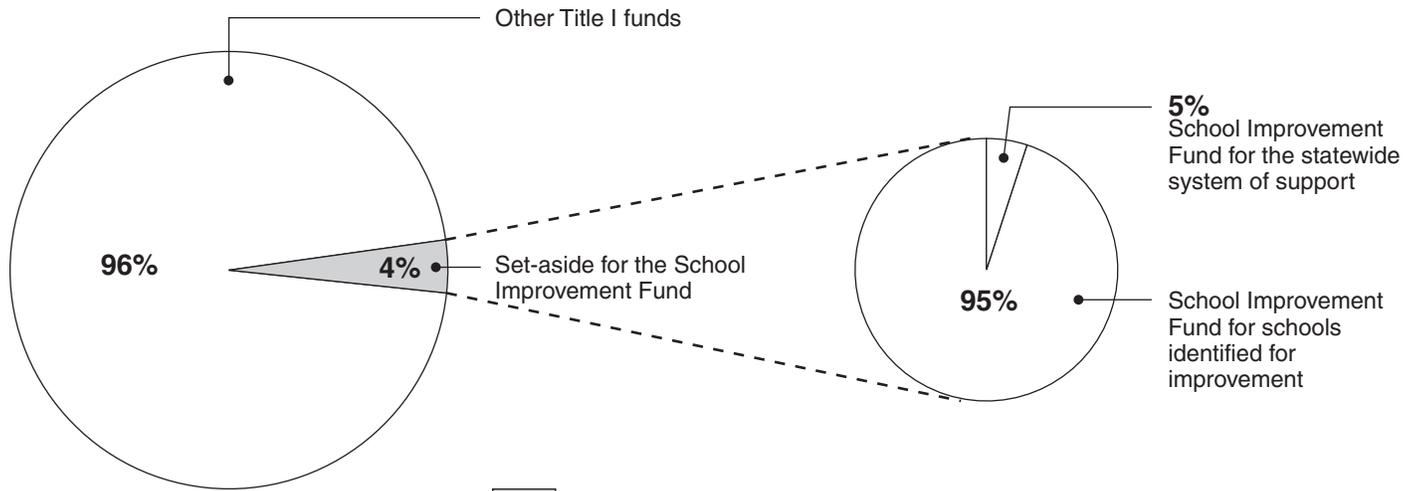
¹⁰ 20 U.S.C. § 6303(e).

¹¹ 20 U.S.C. § 6303(b)(1).

¹² 20 U.S.C. § 6303(c).

¹³ 20 U.S.C. § 6303(b)(2).

Figure 2: Distribution of Title I Set-aside Funds for School Improvement



 School Improvement Fund was a 2 percent set-aside in years 2002 and 2003 and increased to a 4 percent set-aside for each subsequent year.

Source: GAO analysis of the No Child left Behind Act.

While NCLBA directs 95 percent of improvement funds to schools through districts, some flexibility exists for funds to be used at the state or district level for improvement-related activities. For example, NCLBA gives states authority to use some of the 95 percent funds at the district level if the state determines that it has more funding than needed to provide assistance to schools in improvement. In addition, states may use some of their 5 percent funds generally retained at the state level for districts to support district-level activities.

Among other requirements regarding the allocation of funds, states are required to make publicly available a list of the schools that have received funds or services from the school improvement set-aside and the percentage of students in each of these schools from families with incomes below the poverty line.¹⁴

¹⁴ 20 U.S.C. § 6303(f).

Other Funds States May Use for School Improvement Activities

In addition to the Title I set-aside, Education officials told us that states may use state funds for school improvement or incorporate other federal funds to support school improvement efforts, including the School Improvement Grant Program under NCLBA,¹⁵ Comprehensive School Reform, Reading First, and Title II teacher and principal quality programs (see table 3). These programs either establish funding priorities for schools identified for improvement or allow for state flexibility to establish such priorities.

Table 3: Federal Programs Related to School Improvement

Program	Purpose and connection to school improvement	Statutory priorities
School Improvement Grant Program	Authorizes states to make grants to school districts for improvement activities. Grants can be \$50,000-\$500,000 for each school. This program received appropriations for the first time in 2007.	Districts to address schools identified as being in improvement, corrective action, and restructuring.
Comprehensive School Reform	Provide financial incentives for schools to develop comprehensive school reforms based on scientifically based research and effective practices that include an emphasis on basic academics and parental involvement so that all children can meet challenging state academic content and academic achievement standards.	Districts that plan to use the funds in schools identified as being in need of improvement or corrective action
Reading First	To provide assistance to states and districts to establish reading programs in grades kindergarten through third grade; prepare teachers; administer assessments; develop and select materials; programs and strategies; and strengthen coordination among schools, early literacy programs, and family literacy programs to improve reading achievement.	Districts in which at least 15 percent of the children or 6,500 children are from families with incomes below the poverty line
Title II teacher and principal training programs	To increase student academic achievement through strategies such as improving teacher and principal quality and increasing the number of highly qualified teachers in the classroom and highly qualified principals and assistant principals in schools, and to hold districts and schools accountable for improvements in student academic achievement.	Schools that have the lowest proportion of highly qualified teachers, the largest average class size, or are identified for school improvement

Source: GAO analysis of NCLBA and Education's regulations.

¹⁵ In 2007, Congress appropriated \$125 million for awards under 20 U.S.C. § 6303(g). States must apply for these grants, and the amount allocated to each state will be in proportion to elements in their fiscal year 2007 Title I funding allocation.

Education Oversees School Improvement Funds through Compliance Monitoring

Education oversees how states allocate school improvement funds as part of its overall monitoring of state compliance with Title I and NCLBA. Education monitors states in two ways: (1) by routinely gathering and analyzing data collected from Web-based searches and documents, such as the Consolidated State Performance Reports,¹⁶ and (2) by conducting on-site visits to state educational agencies and selected districts and schools within each state to interview officials and review relevant documents. Education has a 3-year monitoring cycle for visiting each state. During these visits, Education reviews whether states provide guidance to districts related to the use of school improvement funds and activities and how the state monitors school improvement plans. Education's monitoring guide includes specific questions about how the state allocated school improvement funds, whether all the funds have been spent, and what guidance the state provided to districts—and was recently updated to include some additional questions on whether states are monitoring expenditures of school improvement funds at the school level and assisting schools in effectively using their resources to make AYP and exit improvement status.

A Statutory Requirement Limits Some States' Ability to Target Title I School Improvement Funds to Lowest-Performing Schools, but Many States Have Used Other Resources for School Improvement Efforts

The hold-harmless provision, which is designed to protect school districts from reductions in their Title I funding, prevented some states from being able to target school improvement funds to low-performing schools. However, many states have used other federal and state funds for school improvement efforts. The hold-harmless provision prioritizes maintaining the Title I funding of all eligible districts over ensuring that states can set aside the full 4 percent for schools identified for improvement—the lowest performing schools. Twenty-two states have been unable to set aside the full 4 percent of Title I funds for school improvement for 1 or more years since NCLBA was enacted because they did not have enough funds to do so after satisfying the hold-harmless provision. Schools identified for improvement are, by definition, performing worse than other schools—and may be among the neediest. When states cannot set aside the full 4 percent for school improvement, it is difficult for them to plan and provide consistent assistance to these schools. In addition to Title I funds for school improvement, many states have dedicated other federal funds and state funds to school improvement efforts. In the period since NCLBA was

¹⁶ States may apply and report annually on multiple ESEA programs through a single consolidated application and report. These annual reports include information on numerous ESEA programs.

enacted, state funds used for this purpose totaled almost \$2.6 billion, compared to \$1.3 billion in federal Title I funds.

A Statutory Requirement Limits Some States' Ability to Target School Improvement Funds to the Lowest-Performing Schools

While the hold-harmless provision is designed to protect school districts from reductions in their Title I funding, it has prevented some states from being able to set aside the full amount of funds for school improvement, which are intended for the lowest-performing schools. While the total amount of Title I funds a state receives does not decrease in any one year as a result of calculating the 4 percent set-aside, the hold-harmless provision can affect how those funds are allocated within a state.¹⁷ Specifically, when states set aside funds for school improvement, the hold-harmless provision prevents the state from reducing the Title I funding for any school district from the previous year. Sometimes, after taking into consideration the hold-harmless provision, there are not enough funds available from those districts with increasing Title I allocations to cover the full 4 percent set-aside. Specifically, 22 states have been unable to set aside the full portion of Title I funds for school improvement for 1 or more years since NCLBA was enacted because they did not have enough left over after satisfying the hold-harmless provision.¹⁸ Six of these—Florida, Kansas, Kentucky, Maine, Massachusetts, and Michigan—have been unable to set aside the full amount for 3 or more years. (See fig. 3). Title I allocations are distributed through states to school districts based on poverty levels, and the hold-harmless provision protects districts from receiving less than they received the previous year. In other words, if a district's population of low-income students decreases, the hold-harmless provision ensures that a district does not receive less Title I funds than the previous year as a result of the school improvement set-aside.¹⁹ Consequently, states can only set aside funds for school improvement that would otherwise have been allocated to school districts slated for Title I increases. In addition to the 22 states affected by the hold-harmless provision, 4 states did not set aside the full portion of Title I school improvement funds for other reasons. For example, 1 state reported that it did not set aside the entire set-aside amount because it had few schools

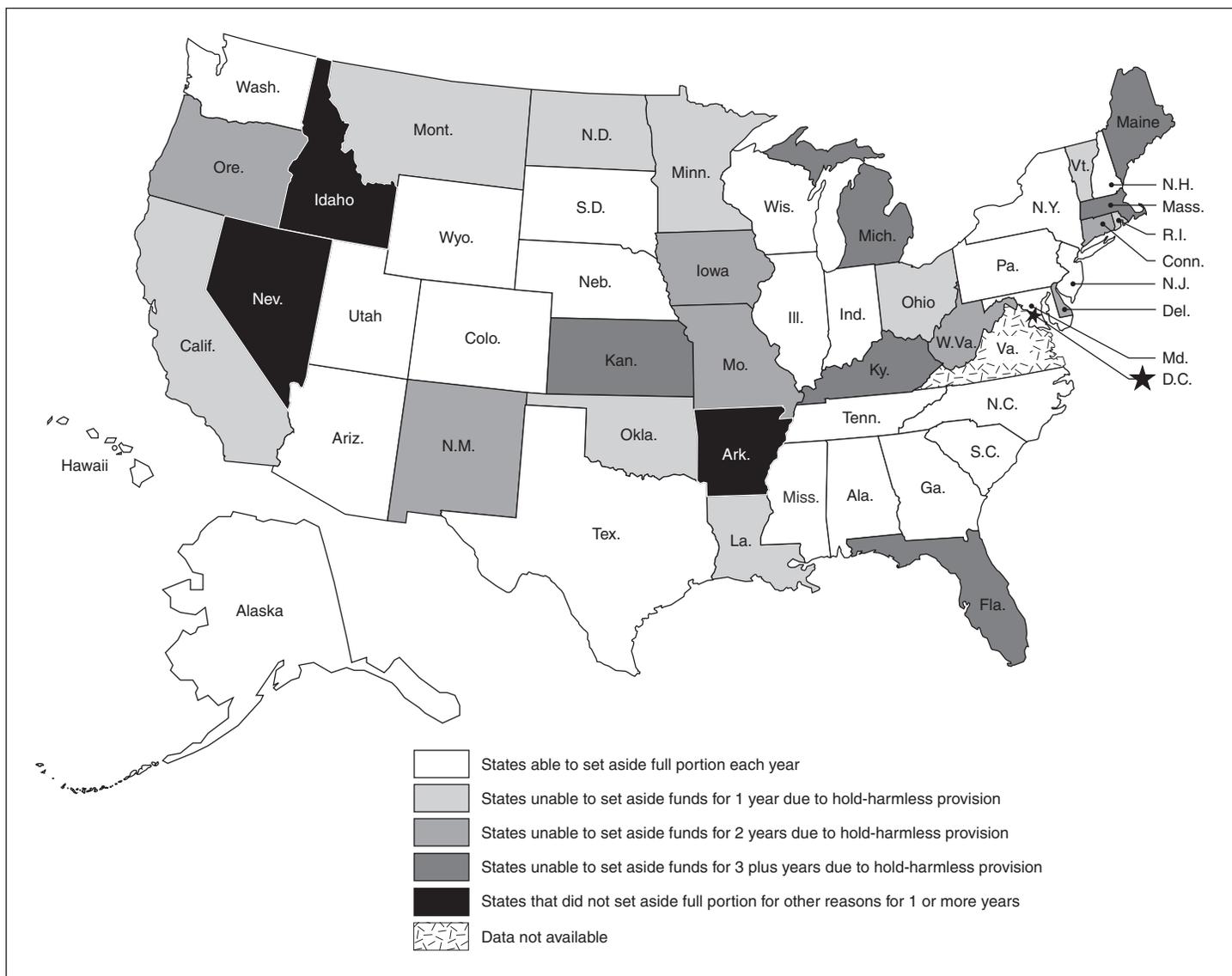
¹⁷ Funds not used for the set-aside for school improvement would still be distributed to Title I schools in that state.

¹⁸ NCLBA generally requires states to set aside 2 percent of their Title I allocation in fiscal years 2002 and 2003 and 4 percent in fiscal years 2004 through 2007.

¹⁹ However, changes in a district's population of students living in poverty do not indicate the extent of poverty in the district: A district with a small population of students living in poverty may experience an increase in that population in a given year, while a district with a high percentage of students living in poverty may lose some of that population. The opposite could also occur.

identified for improvement. In 2006, 12 states were unable to set aside the full 4 percent of Title I funds for school improvement due to the hold-harmless provision, with set-asides ranging from as little as 0.2 percent in Kansas to 3.75 percent in Florida.

Figure 3: States' Title I School Improvement Set-aside Portions since 2002



Source: GAO survey of states; Copyright © Corell Corp. All rights reserved (map).

Note: Virginia did not provide information on the Title I school improvement set-aside.

The lowest-performing schools—schools identified for improvement—are affected when states cannot set aside the full 4 percent for school improvement. These schools—which are the targets of the school improvement funding—have failed to meet state performance goals and are, by definition, performing worse than other schools. Effectively, the hold-harmless provision prioritizes preserving the Title I funding of all eligible Title I districts over ensuring that the lowest-performing schools receive funds for school improvement. Furthermore, schools identified for improvement may be among the neediest. In fiscal year 2006, schools identified for improvement in the 12 states that were unable to set aside the full 4 percent had higher average percentages of students in poverty and minority students compared to other Title I schools that were in need of improvement in those states. (See table 4.)

Table 4: Characteristics of the 12 States Unable to Set Aside the Full 4 Percent of Title I Funds for School Improvement, Fiscal Year 2006

	Schools identified for improvement that received Title I school improvement funds	All other schools identified for improvement that did not receive Title I school improvement funds	All other Title I schools not identified for improvement
Selected student characteristics^a	Mean percentage of students	Mean percentage of students	Mean percentage of students
Poverty status	72	62	53
Minority status	64	54	30
Selected school characteristics	Percentage of schools	Percentage of schools	Percentage of schools
Locale			
Urban	57	64	22
Suburban	19	28	28
Town/rural	24	8	50
Total	100	100	100

Source: GAO analysis of Education data.

^aThe table shows the mean percentages of students who are members of racial or ethnic minority groups (minority status) or who qualified for free or reduced price meals (poverty status).

When states cannot set aside the full portion of Title I funds for school improvement, it is difficult for states to provide consistent assistance to schools identified for improvement. States that were unable to set aside the full 4 percent for school improvement experienced large decreases in their school improvement funds from year to year compared to all other states. (See table 5.) For example, Ohio officials told us that they experienced a decline of \$14 million in Title I allocations to districts between fiscal years 2004 and 2005 due to a decrease in census estimates of the number of low-income students. Since the state still had to provide all districts with no less Title I funds than the year before, it set aside 58 percent, or \$9.3 million, less in school improvement funds than it had in the previous year. An Ohio official said this variability made it difficult to commit school improvement assistance to districts. To address this issue, Ohio now retains a portion of its total Title I school improvement set-aside each year to help ensure that school improvement funds will be available if there are future decreases in school improvement funds as a result of the hold-harmless provision.²⁰

Table 5: Changes in Title I School Improvement Set-aside, Fiscal Years 2005-2007

Fiscal year	States unable to set aside the full 4 percent for school improvement			All other states		
	Number of states	Median dollar change	Median percent change	Number of states	Median dollar change	Median percent change
2005	12	Decrease \$332,000	Decrease 10%	38 ^a	Increase \$304,000	Increase 6%
2006	12	Decrease \$805,000	Decrease 31%	38	Increase \$73,000	Increase 1%
2007	11	Decrease \$2.2 million	Decrease 74%	37 ^b	Increase \$154,000	Increase 3%

Source: Analysis of GAO survey of states.

^aOne state did not provide information for fiscal years 2005 and 2006.

^bThree states did not provide information for fiscal year 2007.

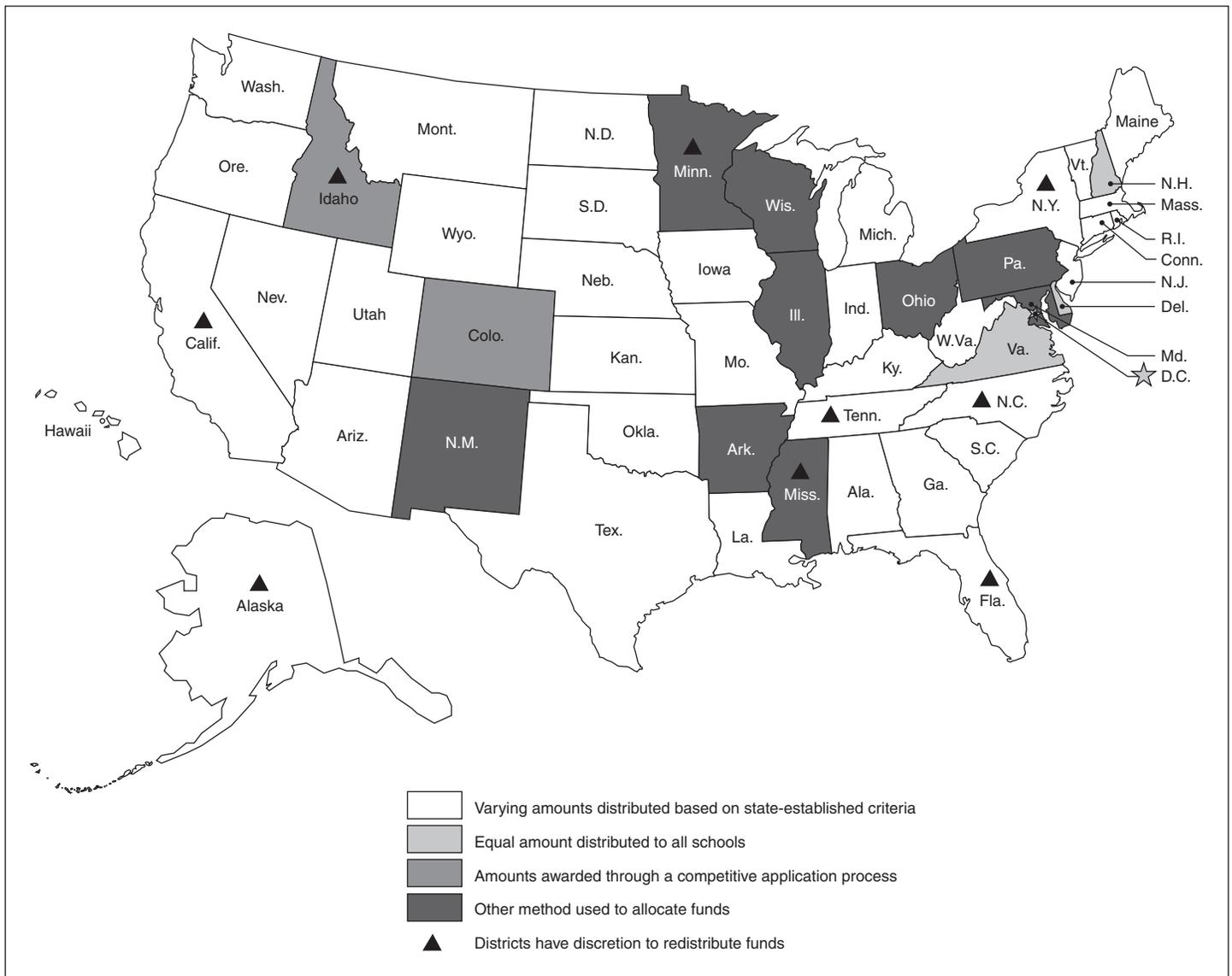
²⁰ Title I funds are appropriated on a forward-funded basis, and states and districts have a total of 27 months to obligate and expend these funds. For example, for fiscal year 2005, Title I appropriations were made available to schools on July 1, 2005, for obligation and expenditure through September 30, 2007.

There is also wide variation among states in the average amount of school improvement money available per school in improvement. (See fig. 4).²¹ The average amount per school in improvement varies due to differences in overall Title I allocations as well as the number of schools identified for improvement in each state.²² For example, Massachusetts received over \$200 million in Title I funds in fiscal year 2006 and set aside less than \$780,000 for its 455 schools identified for improvement, for an average of approximately \$1,700 available per school identified for improvement. In contrast, Texas received over \$1 billion in Title I funds in fiscal year 2006 and set aside \$47 million for its 291 schools identified for improvement, averaging approximately \$163,000 per school identified for improvement.

²¹ These amounts represent the average amounts of school improvement funds available for schools identified for improvement based on the Title I set-aside amount and the number of schools identified for improvement in each state. These amounts do not represent the actual amount of funds schools received.

²² The number of schools identified for improvement in a state can be affected by state policies. Under NCLBA, states are required to develop academic standards and tests, measure student proficiency, and determine whether schools are meeting proficiency goals. Because these definitions can vary from state to state, the number of schools in improvement can also vary.

Figure 4: States' Average Title I Set-aside Amounts Available per School Identified for Improvement, Fiscal Year 2006



Source: GAO survey of states; Copyright © Corel Corp. All rights reserved (map).

Note: Missouri did not submit to Education its final list of schools identified for improvement in the 2006-2007 school year. In response to our survey, Virginia did not report the amount of Title I funds set aside for school improvement in fiscal year 2006.

Education, recognizing challenges associated with the hold-harmless provision, has proposed eliminating the provision as part of its 2007 budget justification and again as part of its proposals for reauthorization

of NCLBA. In its 2007 budget justification, Education estimated states' ability to set aside the full 4 percent of Title I funds for school improvement for fiscal year 2005 and contended that the hold-harmless provision, in conjunction with Title I funding fluctuations, limited many states' ability to reserve these funds. Additionally, the department pointed out that districts slated for Title I increases disproportionately contribute to the Title I school improvement set-aside. Congress has not repealed the hold-harmless provision and is currently deliberating the reauthorization of NCLBA.

Many States Have Dedicated Other Federal Funds and State Funds to School Improvement Efforts

In addition to Title I funds for school improvement, many states have dedicated other federal funds to school improvement efforts. To further support school improvement efforts, 38 states targeted funds from other federal programs intended to improve student achievement, including the Comprehensive School Reform Demonstration Program (CSR), Reading First, and teacher and principal quality programs under Title II of NCLBA. Several states we visited reported incorporating CSR funds and Reading First funds into their school improvement strategies. For example, in Ohio, CSR funds were prioritized toward school improvement purposes under NCLBA. Ohio's school improvement funding scheme provided Title I set-aside funds to schools for up to 3 years, after which schools could obtain funds from the CSR program.

Additionally, 17 states have contributed almost \$2.6 billion in state funds for school improvement activities since NCLBA was enacted, nearly double the \$1.3 billion in federal Title I school improvement funds provided over the same period. In 2006, 14 states contributed state funds for school improvement under NCLBA. (See table 6.) For example, in 2006, Georgia spent \$9.5 million of its funds on its statewide system of support, nearly as much as it expended in Title I school improvement funds. The 5 percent of the Title I school improvement set-aside the state of Georgia reserves under NCLBA for its own use supports 8 employees in its school improvement division, which implements its statewide system of support. The remaining 107 employees in the division are supported by Georgia's own state funds. We found no relationship between the usage of state funds for school improvement and whether a state reserved the full Title I set-aside amount required under NCLBA.

Table 6: State Funds for School Improvement under NCLBA, Fiscal Year 2006

State	Funds expended for school improvement	
	Title I funds	State funds
Alabama	\$4.9 million	\$38 million
Arizona	4.6 million	13.7 million
Arkansas	680,000	300,000
California	24 million	174 million
Delaware	68,000	1.5 million
Georgia	10 million	9.5 million
Illinois	20 million	2.8 million
Massachusetts	31,000	5 million
New Hampshire	59,000	62,000
New Jersey	8.3 million	500,000
Ohio	1.1 million	13 million
Oregon	1.3 million	140,000
Pennsylvania	540,000	335 million
Washington	620,000	4 million
Total	76.2 million	597 million

Source: GAO survey of states.

States Generally Target Funds to the Most Persistently Underperforming Schools, However, Some States Did Not Fulfill NCLBA Requirements for Allocating or Tracking Funds

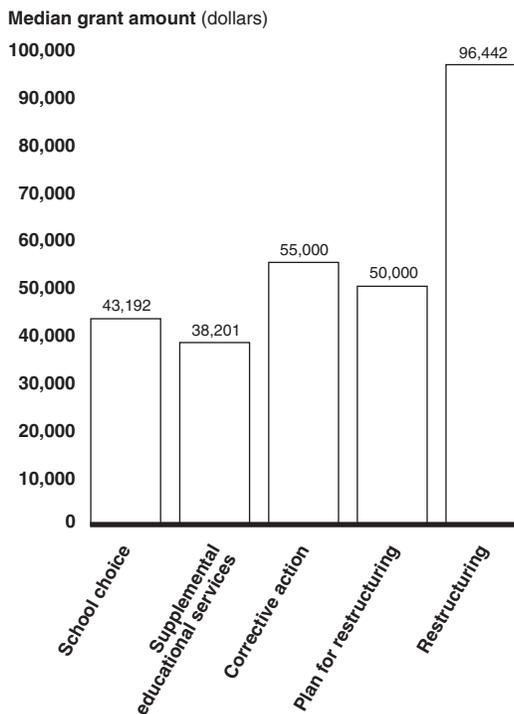
States generally target improvement funds to the most persistently underperforming schools, but some states did not fulfill some NCLBA requirements for allocating or tracking funds. On our survey, states generally reported that they provided more funds to the most persistently underperforming schools, and those schools had higher percentages of low-income and minority students than all other Title I schools. To allocate school improvement funds, 37 states use state-established criteria that include factors such as the number of years the school had been identified for improvement, 2 states used a competitive grant process, and 8 used some other method. However, 4 states reported that they allocated funds equally among schools in improvement, and may not have taken into consideration factors required by NCLBA, such as focusing on the lowest achieving schools. In addition, 1 state allocated Title I improvement funds to districts without schools in improvement and did not take the required steps to do this. Education did not identify these potential compliance issues as part of its monitoring efforts. We referred these issues to Education, and the department is following up with relevant states. Also, 4 states were unable to provide complete information on which schools in

their state received improvement funds, as required under NCLBA. Education has not provided guidance on how states should provide this information and does not monitor states' compliance with this requirement.

States Generally Target Improvement Funds to the Most Persistently Underperforming Schools

Generally, we found that states targeted school improvement funds to the most persistently underperforming schools—those that had failed to make AYP for several years—and states tended to provide more funds to these schools. For example, the median grant amount for schools in restructuring nationwide was about \$40,000 more than for schools in corrective action in 2006. (See fig. 5.)

Figure 5: Median Title I School Improvement Allocations by Improvement Status, Fiscal Year 2005



Source: GAO survey of states.

Note: Three states were unable to provide information on which schools received Title I school improvement funds, and one state provided only a partial list of schools that received funds.

Overall, schools receiving improvement funds differed from Title I schools not in improvement and schools in improvement that did not receive

funds. For example, schools receiving improvement funds had higher percentages of students in poverty and higher percentages of minority students compared to Title I schools not identified for improvement.²³ (See table 7.) In addition, 54 percent of schools that received improvement funds were located in urban areas compared to 24 percent of all other Title I schools not identified for improvement. Nearly half of the schools that received funds were primary schools and nearly one-third were middle schools. While schools identified for improvement that received funds had similar poverty and minority percentages as all other schools identified for improvement, there were some differences between these two groups. For example, 26 percent of schools that received improvement funds were located in rural areas, compared to 12 percent of all other schools identified for improvement. In the 2005-2006 school year, approximately 71 percent of schools identified for improvement received school improvement funds.²⁴

²³ Our prior work has documented that schools in corrective action and restructuring served a higher percentage of minority, economically disadvantaged, and middle school students compared to all other Title I schools. See GAO, *No Child Left Behind Act: Education Should Clarify Guidance and Address Potential Compliance Issues for Schools in Corrective Action and Restructuring*, [GAO-07-1035](#) (Washington, D.C.: Sept. 5, 2007).

²⁴ This figure is based on our data analysis, which excluded schools for which information was not available. In addition, this figure does not include data from three states that were unable to provide a list of schools that received Title I school improvement funds and includes information from one state that provided only partial data.

Table 7: Selected Characteristics of Schools That Received Title I School Improvement Funds, Other Schools Identified for Improvement, and All Other Title I Schools, Fiscal Year 2006

	Schools identified for improvement that received Title I school improvement funds	All other schools identified for improvement	All other Title I schools not identified for improvement
Selected student characteristics^a	Mean percentage of students	Mean percentage of students	Mean percentage of students
Poverty status	74	73	52
Minority status	76	79	43
Selected school characteristics	Percentage of schools	Percentage of schools	Percentage of schools
Locale			
Urban	54	54	24
Suburban	20	35	27
Town/Rural	26	12	45
Total	100	100^b	96^b
School level			
Primary	48	61	71
Middle	29	25	15
High	16	11	10
Total	93^b	97^b	96^b

Source: GAO analysis of Education data.

^aThe table shows the mean percentages of students who are members of racial or ethnic minority groups (minority status) or who qualified for free or reduced price meals (poverty status).

^bSome percentages do not total 100 due to rounding and the exclusion of schools for which demographic information was unavailable.

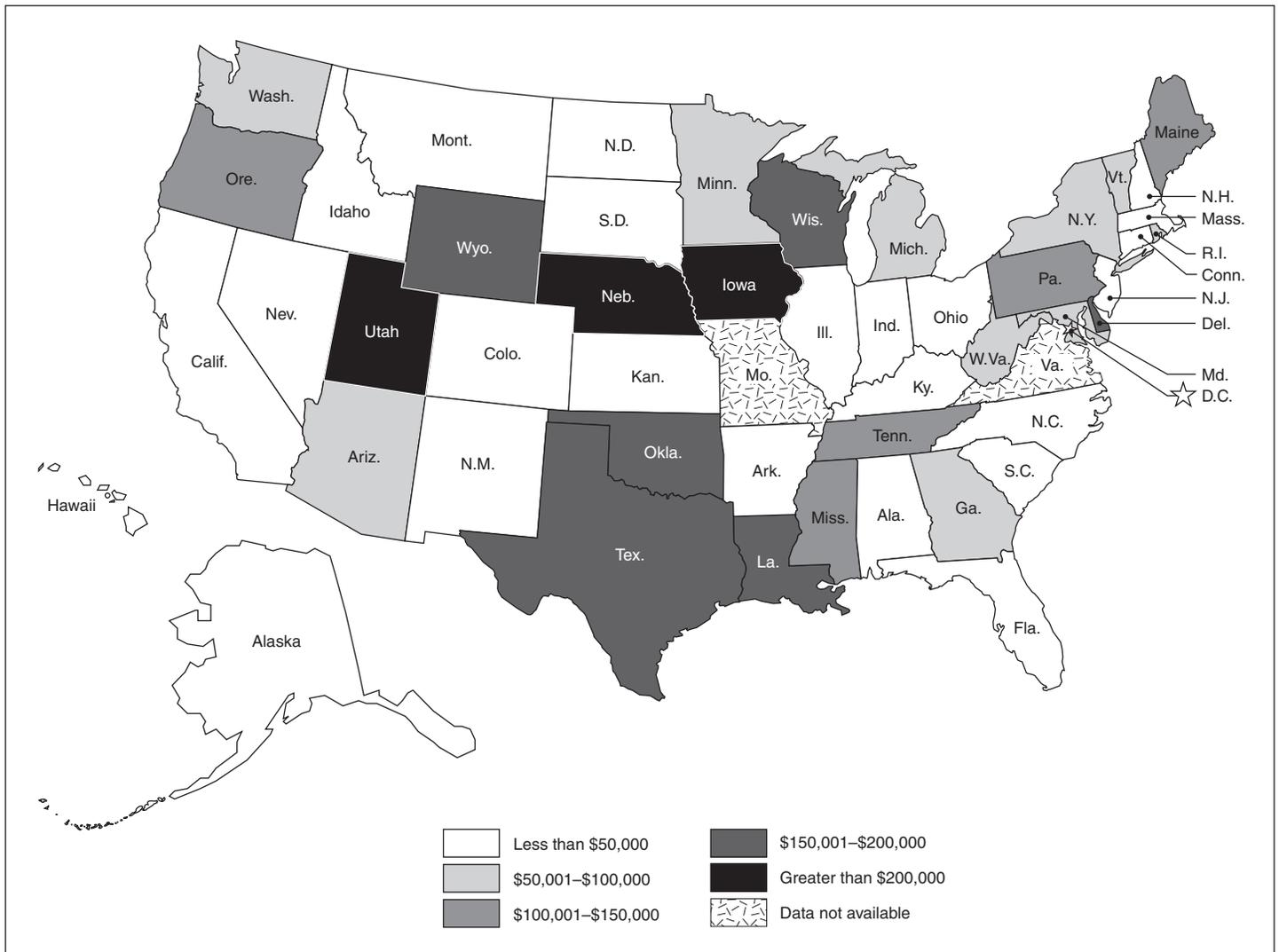
States Use Varying Criteria to Prioritize Schools for School Improvement Funds, but Some States Did Not Fulfill NCLBA Requirements for Allocating Funds

Thirty-seven states established criteria on a state level to determine which schools should receive Title I school improvement funds or services, and the remaining states used other allocation methods. (See fig. 6.) Of the 37 states, 27 used criteria that included the number of years the school failed to make AYP, and 21 states used criteria that included the number of students in each school. For example, Michigan officials told us that their allocation formula includes the year of school improvement as well as overall student enrollment. The state also differentiates between schools that failed to make AYP for academic reasons and those that missed AYP

targets for other reasons, such as graduation rate or attendance. Of the 14 states that used methods other than state-established criteria to allocate funds, 2 states—Colorado and Idaho—distributed funds through a competitive grant process. Eight states used other allocation methods such as distributing funds to districts by ranking the schools identified for improvement based on school performance and the number of low-income students. However, we found that Delaware, New Hampshire, Virginia, and the District of Columbia reported they required districts to provide each school receiving school improvement funds an equal amount of funding, and, thus, may not have prioritized the allocation of funds as required under NCLBA.²⁵ In addition to their various allocation methods, 9 states gave districts flexibility in determining which schools received funds. For example, New York allocates funds to districts based on state-established criteria regarding schools in need of improvement. However, districts can choose which schools receive funds and the amount of funds those schools receive.

²⁵ NCLBA requires that states, in allocating school improvement funds, give priority to districts that (1) serve the lowest-achieving students, (2) demonstrate the greatest need for such funds, and (3) demonstrate the strongest commitment to ensuring that such funds are used to enable the lowest-achieving schools to meet the progress goals in the school improvement plans. 20 U.S.C. § 6303(c).

Figure 6: States' Methods for Allocating School Improvement Funds, Fiscal Year 2006



Source: GAO survey of states; Copyright © Corel Corp. All rights reserved (map).

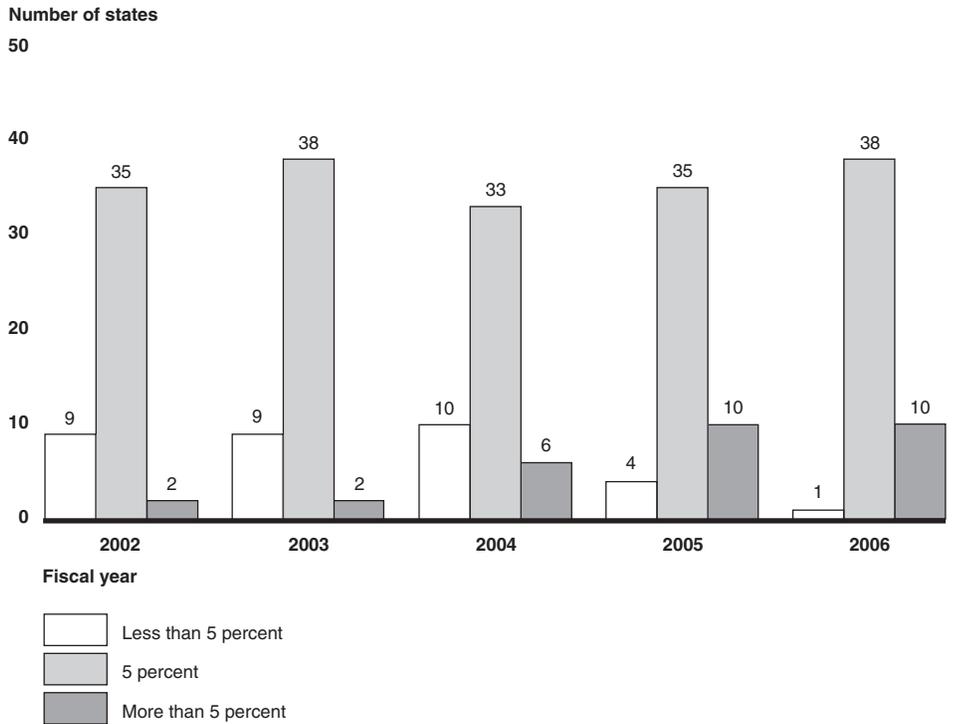
In addition to criteria used to allocate funds, states also varied in the proportion of school improvement funds allocated to schools and retained by the state. In 2006, 38 states allocated 95 percent of the school improvement set-aside funds directly to local school districts for schools identified for improvement, as NCLBA requires, with the remaining 5

percent retained by states to carry out their responsibilities.²⁶ In 2006, 1 state that we visited retained less than 5 percent for its statewide system of support and distributed more than 95 percent to districts for schools identified for improvement. In contrast, some states retained more than 5 percent of their school improvement set-aside, as permitted under NCLBA under certain circumstances.²⁷ With the approval of districts, a state may retain more than 5 percent to directly provide school improvement services for schools or arrange for other entities to provide these services. In 2006, 10 states retained more than 5 percent. (See fig. 7.) For example, New Mexico officials told us that eligible districts agreed that the state could retain the entire set-aside amount to support a systematic reform model for school years 2006-2007 and 2007-2008. For participating schools, state officials paid a contractor to provide leadership and instructional training, reading and math interventions, and materials needed to support the interventions for schools identified for improvement.

²⁶ Under NCLBA, states are generally required to allocate at least 95 percent of the school improvement set-aside to districts for schools identified for improvement to carry out activities described in the statute. The state may retain up to 5 percent to carry out its responsibilities, including implementing its statewide system of support.

²⁷ States may either allocate these funds directly to districts for schools identified for improvement to be used for activities required under the school improvement section of the law or, with the approval of districts, retain funds to provide for these activities for schools identified for improvement 20 U.S.C. § 6303(b).

Figure 7: Number of States That Reserved Less than 5 Percent, 5 Percent, or More than 5 Percent of School Improvement Funds for Their Statewide System of Support



Source: GAO survey of states.

While most states retained the allowed 5 percent of the Title I school improvement funds to carry out their state responsibilities,²⁸ 23 states reported that they have fully implemented their statewide system of support. Of the remaining 28 states, 18 reported that their system was mostly implemented and 10 reported they have partially implemented their system. Education officials offered several reasons why states may not have fully implemented these systems. For example, some states may not have had enough funds to fully implement their statewide system of support. In other states, statewide strategies may only reach a portion of the schools identified for improvement because services are prioritized for the lowest-achieving schools and districts. In addition, officials said some

²⁸ NCLBA requires states to create and maintain a statewide system of support designed to increase the opportunity for all students and schools to meet the state's academic content and achievement standards.

states have experienced large increases in the number of schools identified for improvement, necessitating significant changes to their statewide system of support.

Additionally, 21 states allocated some of their Title I school improvement funds to districts for district-level activities, including at least 1 state that may not have met NCLBA requirements for doing this. Districts have a major responsibility for providing technical assistance to schools identified for improvement. According to Education officials, while NCLBA does not explicitly set aside funds for district-level activities, it does allow for districts to use improvement funds to provide services to these schools. In addition, Education officials said that funds can be used for building district capacity if the funds are focused on providing services for schools identified for improvement. In Massachusetts, for example, some funds supported district-level specialists who provided direct assistance to schools identified for improvement in areas such as data analysis and implementing the school improvement plan. In addition, according to Education officials, states have authority to use some of the 95 percent funds for districts identified for improvement but without schools in improvement if the state determines that the amount of 95 percent funds exceeds the amount needed to provide assistance to schools identified for improvement. In this situation, a state may take excess funds from one district and give those funds to other districts based on state-determined need. Education officials told us that states must consult with districts before claiming unused funds and have evidence that these discussions took place.²⁹ However, we found that 1 state may have allocated Title I improvement funds to districts identified for improvement without schools identified for improvement without first determining it had excess funds. We identified this issue through our site visits and are uncertain if other states may have also done this. Education officials said they did not identify this issue during their recent monitoring visit. We referred this matter to Education, which is following up on it.

²⁹ Districts may also be designated for improvement if the district fails to make AYP for 2 consecutive years for all students or for any subgroup that misses its proficiency goals or participation rates. AYP for districts is based on aggregating the results of each school's academic achievement and other measures. In some cases, districts without any schools identified for improvement may themselves be identified for improvement when the minimum group size at individual schools was too small to identify the schools for improvement but was large enough on an aggregate level for the district to be identified for improvement.

While States Collect Some Information to Track Funds, Many States Are Not Able to Provide Information on Which Schools Receive Funds

Most states collect and track information on the use of school improvement funds. Forty-eight states reported on our survey that they collect information on the expenditure of Title I school improvement funds at least annually from schools, districts, or other sources. Twenty-four states reported collecting expenditure information on each school receiving improvement funds. Other states reported collecting expenditure information from districts that provide aggregate information for all schools that received improvement funds in the district, rather than for each school receiving improvement funds. Seventeen states reported that district officials monitor school improvement funds by comparing activities that were funded to those identified in school improvement plans. For example, some district officials we visited said they compare school improvement expenditures to the school improvement plan before approving disbursements. Forty-five states reported that state or district officials conduct visits or monitor through other means how school improvement funds were expended and what school improvement activities were funded. State officials from 14 states reported that monitoring was conducted in multiyear cycles rather than annually or that a portion of schools were monitored annually. For example, as part of Ohio's monitoring and review process, officials said that district cohorts are reviewed every 3 years with on-site reviews conducted at a minimum of 10 percent of the cohort.

While most states monitor funds, 4 states were unable to make publicly available the complete list of schools receiving improvement funds, as required under NCLBA, because these states do not collect information on each school receiving improvement funds, and Education has not provided guidance on this requirement.³⁰ Almost all states were able to provide a list of schools receiving funds to us, but 3 states—Arkansas, Florida, and North Carolina—provided information on districts that received funds, but could not provide information on which schools received funds, and California provided a partial list of schools that received funds. In a few cases, we found that non-Title I schools had inappropriately received Title I school improvement funds. State officials said that they would take steps to address this issue, and we referred this matter to Education, which is following up on it. Though Education monitors the allocation of school improvement funds through its 3-year Title I monitoring cycle, Education officials told us they had not uncovered these issues. In addition, Education does not regularly check when and whether states have made

³⁰ 20 U.S.C. § 6303(f).

the lists of schools receiving improvement funds publicly available, as required, and has not provided guidance on how states make lists of schools receiving improvement funds publicly available.

Schools and States Are Engaged in a Variety of Improvement Activities and Mainly Assess Them Using Student Achievement Data and Feedback

Schools that received funds and states have employed a range of improvement activities, and most states assess these activities by reviewing trends in student achievement data and obtaining feedback from district and school officials. At least 45 states reported that schools that received school improvement funds were involved in professional development, reorganizing curriculum or instructional time, or data analysis. Nearly all states reported that they assisted schools identified for improvement with school improvement plans and professional development, and officials in 42 states consider this assistance key to helping schools improve. To assess school improvement activities, 42 states reported that they track student achievement data or school performance trends, and 36 of those states also use feedback from school and district officials.

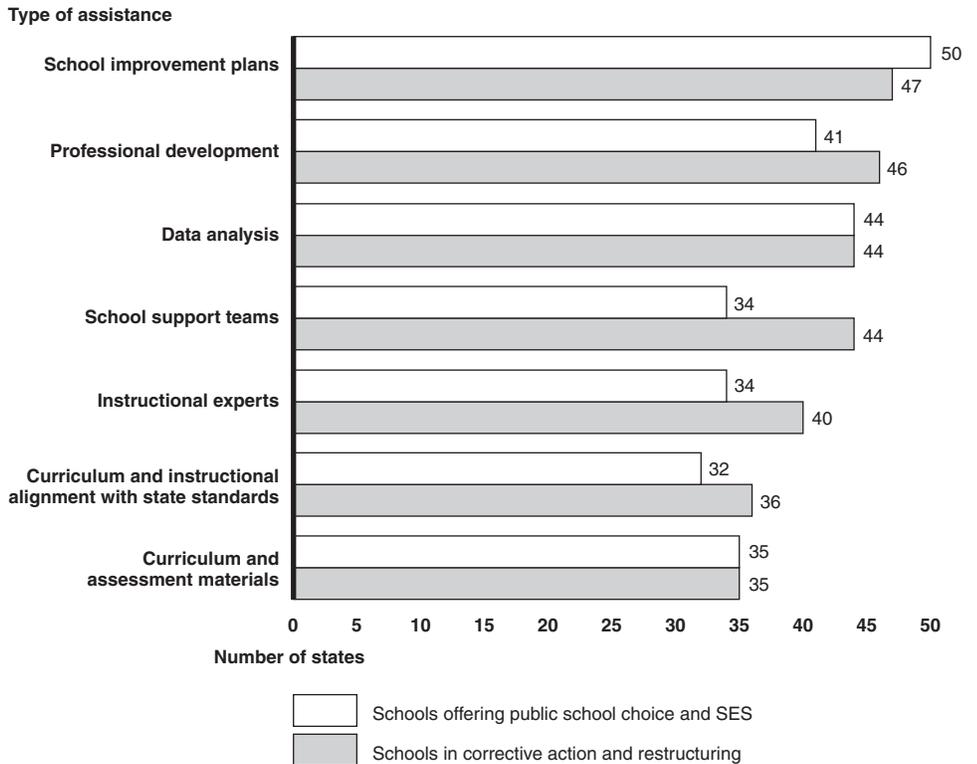
Schools That Received Funds Have Undertaken a Variety of Improvement Activities, and States Have Provided Support for Many of These Activities

Nearly all states reported on our survey that schools that received improvement funds in school year 2006-2007 were engaged in activities such as professional development and data analysis, and districts and schools we visited also cited these and other activities. Forty-seven states reported that schools receiving improvement funds were taking part in professional development, 46 states said schools were reorganizing curriculum or instructional time, and 45 states reported that schools were using data analysis from the state's assessment system or other assessments. School officials in each state we visited also cited using school improvement funds for professional development activities. For example, at one school in California, staff received intensive training in instructional strategies and data analysis software, which was designed to help teachers analyze instructional practices and provided teachers with specific steps to increase student achievement. In addition, schools and districts in every state we visited mentioned using coaches who are generally former principals, teachers, or other subject area specialists who work with school administrators or teachers. School officials in Michigan noted that coaches had served as a key resource in the development of school improvement plans. In some of the schools and districts we visited, officials pointed to the importance of examining test scores and student data in helping schools improve. For example, a school district in Ohio provided school leaders and teachers immediate access to test scores and

other information such as curriculum, professional development resources, and student records online to help track student achievement.

While over 40 states reported that they assisted schools identified for improvement with the school improvement plan, professional development, and data analysis, or provided help from school support teams, states generally reported providing more assistance to schools in later stages of improvement (See fig. 8). In New Mexico, for example, all schools identified for improvement are required to conduct certain activities such as short cycle assessments several times a year, while schools in restructuring are also required to send staff to training in areas such as principal leadership. As another example, 44 states reported that they provided assistance from school support teams to schools in corrective action and restructuring, compared to 34 states that reported providing this assistance to schools in earlier stages of improvement. The only area in which states said they provided slightly more assistance to schools in earlier stages of improvement was helping with the school improvement plan.

Figure 8: Differences in Types of Assistance States Provided to Schools in Different Stages of Improvement



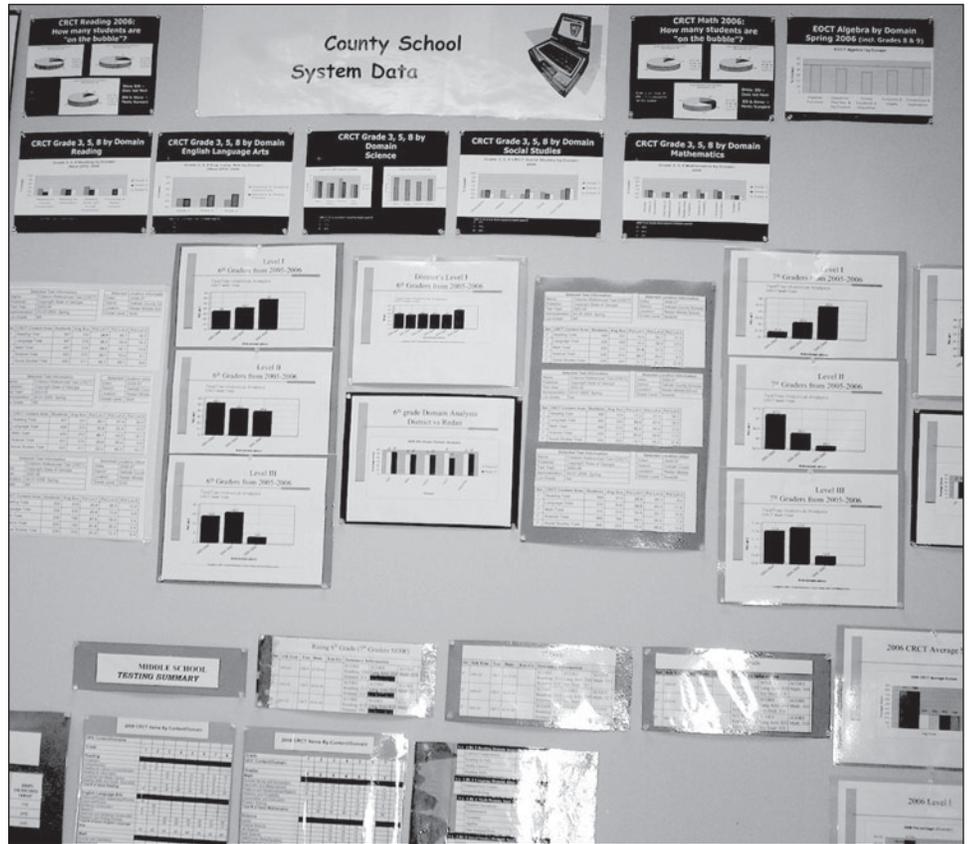
Source: GAO survey of states.

Forty-two states considered helping schools identified for improvement with the school improvement plan and professional development to be somewhat to very effective forms of state support. For example, many states provided schools and districts a template for improvement plans, which can help ensure some consistency in plans across the state. In Ohio, state officials showed us an electronic tool that they developed for both district improvement plans and school improvement plans that they said have been useful in aligning district and school improvement plans.

States Primarily Use Student Achievement Data and Feedback from Districts and Schools to Assess Improvement Activities

Forty-two states reported that they tracked changes in student achievement data or school performance trends, and 36 of those states also used feedback from district and school officials to assess improvement activities. For example, Michigan officials said they require schools to provide student achievement data annually and to describe which improvement activities were working as well as what changes they planned to make. We also found that some states we visited conduct more extensive reviews of schools in corrective action and restructuring that include site visits, assessments, and observation of staff and leadership. Most districts and schools we visited also focus on student achievement data to assess activities. One school in Georgia has students take interim practice tests using questions similar to those of the state's annual assessment to track students' progress. The school has a "data room" that has test scores and other data by grade level and subgroups displayed in lists, graphs, and charts to track progress and serve as a visual reminder of its overall goals. (See fig. 9.) At the district and school levels, officials in every state we visited emphasized the importance of using the school improvement plans to identify specific actions and goals, and many use the plan to monitor progress and make adjustments as needed.

Figure 9: Example of a Middle School's Data Room to Track Students' Progress



Source: GAO.

Twenty-four states reported that they conduct evaluations, either on the state, district, or school level to assess activities. Based on information provided by some states, these assessments were not in line with Education's definition of high-quality reviews of educational effectiveness but included approaches to assess activities and track school improvement.³¹ In some cases, states we visited told us they are working

³¹ On its What Works Clearinghouse, Education defined high-quality reviews as those that include randomized controlled trials and quasi-experimental designs, among others. Randomized controlled trials are studies in which participants are randomly assigned to an intervention group that receives or is eligible to receive the intervention and a control group that does not receive the intervention. Quasi-experimental designs are primarily designs in which participants are not randomly assigned to the intervention and comparison groups, but the groups are compared to each other.

with or plan to work with an independent evaluator or other entity to conduct a more formal evaluation of school improvement activities.

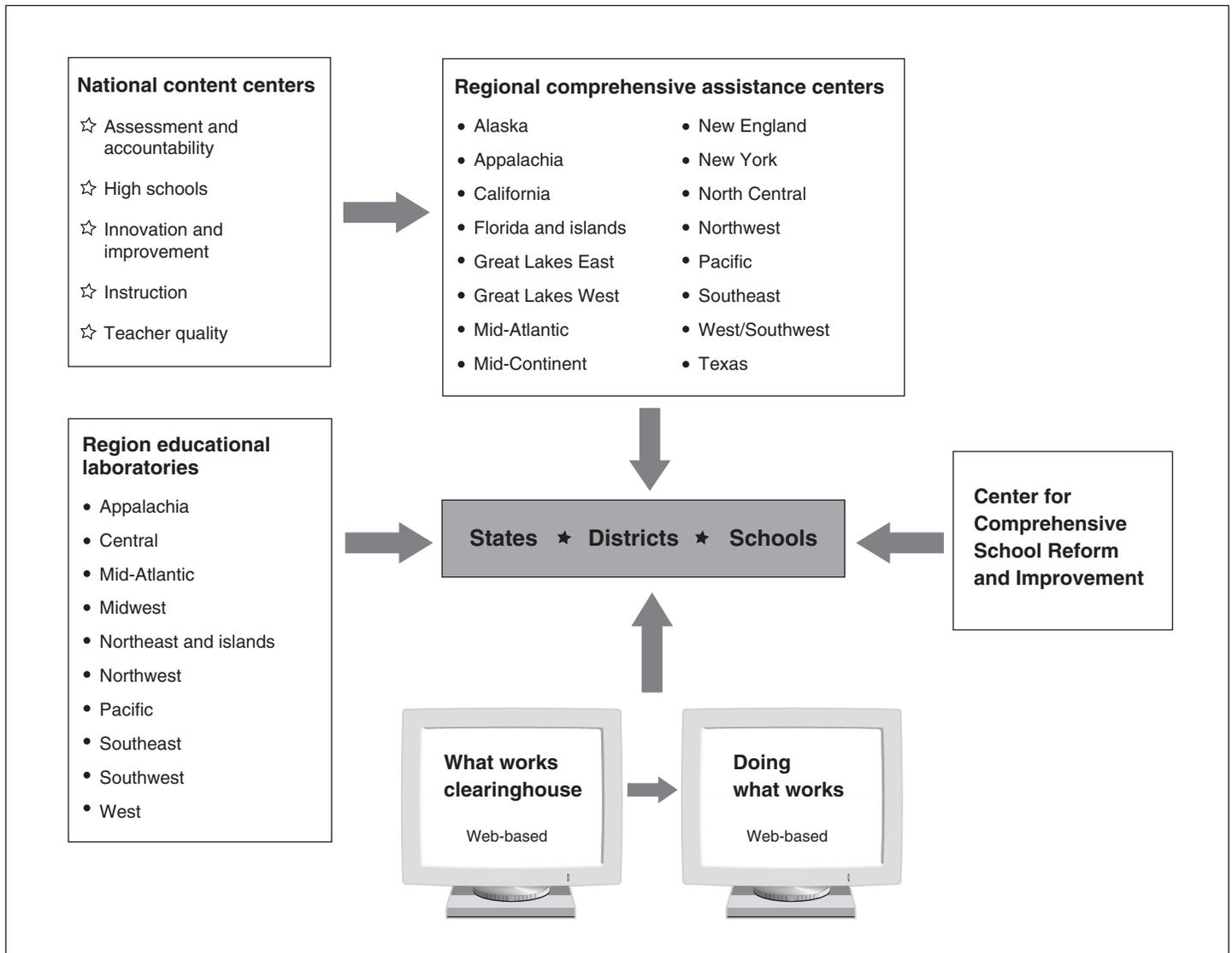
Education Provides a Range of Support for School Improvement, Including Some New Efforts Aimed at Areas in Which States Want More Help

Education directly supports states with school improvement through written guidance, staff assistance, policy letters, and information provided at national conferences. In July 2006, Education published nonregulatory guidance on district and school improvement that updated and expanded its earlier guidance in this area.³² Education staff also provide direct assistance by responding to states' questions. In some cases, Education officials said they send policy letters to individual states to address state-specific questions and post the letters on its Web site. For example, one state requested clarification from Education on allocating Title I school improvement funds to districts, and Education responded with a policy letter. In addition, Education also provides guidance and disseminates information through national conferences such as the annual Title I National Conference.

In addition to direct support, Education provides a number of technical assistance and research-related resources to assist states, districts, and schools in their school improvement efforts. These include the Comprehensive Centers Program, Regional Education Laboratories, the Center for Comprehensive School Reform and Improvement, the What Works Clearinghouse, and a new Doing What Works Web site. (See fig. 10).

³² See Education's *LEA and School Improvement: Non-Regulatory Guidance* (Washington, D.C.: July 21, 2006).

Figure 10: Education’s Technical Assistance and Research-Related Resources That Support School Improvement Efforts



Source: GAO analysis of Education information; images, Art Explosion.

Note: While Education has some additional efforts to support student achievement, the resources shown above represent those most related to school improvement.

- Education provides a number of services to states through its Comprehensive Centers Program—consisting of 16 regional centers

and 5 content centers.³³ The regional centers are located across the country and provide training and technical assistance to address state needs and priority areas, which largely focus on school improvement. Each of the 5 content centers focuses on one of the following areas: accountability, instruction, teacher quality, innovation and improvement, or high schools. The content centers provide expertise, analysis, and research in the five content areas. According to an Education official, a key focus of the comprehensive centers is helping states build their statewide systems of support. Currently, the comprehensive centers have 8 regional initiatives and 35 individual state initiatives related to this topic. In addition, there are 2 regional initiatives and 26 individual state initiatives to address district and school improvement.

- One content center, the Center on Innovation and Improvement, provides a variety of services related to school improvement. The center gathers data and information on districts and schools making sustained gains to identify successful improvement strategies. It has developed two guides on this topic, a *Handbook on Restructuring and Substantial School Improvement* and a *Handbook on Statewide Systems of Support*, which it has distributed to regional centers, state educational agencies, and other organizations.³⁴ The center also facilitates information sharing on school improvement topics through its annual 2-day training for representatives of the regional centers and additional workshops throughout the year. In addition, the center collaborates with the Council of Chief State School Officers to issue monthly School Improvement e-newsletters, which focus on school improvement efforts at the state and district levels.
- Education also compiles and disseminates relevant research on effective educational interventions. Education operates 10 Regional Education Laboratories to provide research on a variety of topics, such as statewide systems of support and factors that have helped schools make AYP. The laboratories are also available to provide assistance to

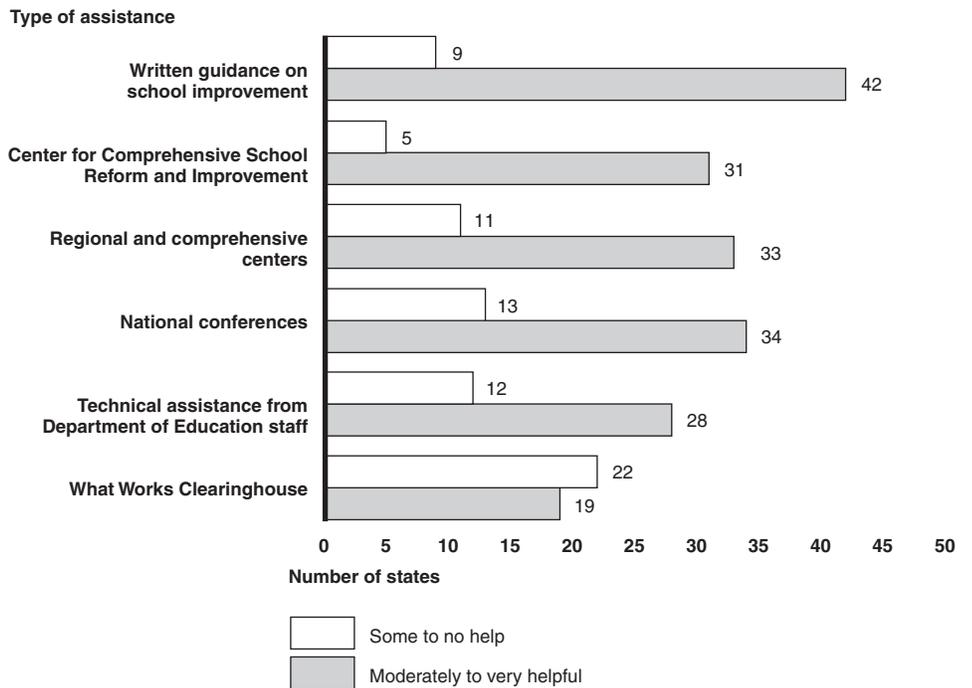
³³ Education replaced its former Comprehensive Regional Assistance Centers, the Regional Technology in Education Consortia, the Eisenhower National Clearinghouse for Mathematics and Science Education, and the Regional Mathematics and Science Education Consortia with its Comprehensive Centers Program.

³⁴ See Herbert J. Walberg, editor. *Handbook on Restructuring and Substantial School Improvement* (Center on Innovation and Improvement, Lincoln, Illinois: 2007), and Sam Redding and Herbert J. Walberg, editors. *Handbook on Statewide Systems of Support* (Center on Innovation and Improvement, Lincoln, Illinois: 2007).

any entity, such as school districts or schools, if they request assistance. Education also funds the Center for Comprehensive School Reform and Improvement to assist schools and districts in implementing comprehensive school reform and improvement by providing information about research-based strategies and assistance in using that information to make changes. In addition, Education developed the What Works Clearinghouse to review studies of educational interventions to determine which studies were conducted with a sound methodology and to what extent the interventions are effective. In November 2007, Education implemented a Doing What Works Web site to help educators adapt and use the research-based practices identified by the What Works Clearinghouse.

State officials reported that Education's written guidance, national meetings or conferences, and comprehensive centers were the most helpful forms of assistance and the What Works Clearinghouse was relatively less helpful (See fig. 11.) For example, in several states we visited, state officials told us that comprehensive centers have been helpful in areas such as building state school improvement capacity and facilitating discussions with other states. Although 15 states reported that the What Works Clearinghouse was moderately to very helpful, 20 states reported that it provided some to no help. District officials said that it has not been useful for reasons such as it is difficult to figure out how to translate the research on the What Works Clearinghouse into practical application at the classroom level.

Figure 11: Extent to Which States Found Assistance from Education Helpful



Source: GAO survey of states.

Almost all states also reported that they could benefit from additional assistance from Education. Fifty states reported that they could benefit from more tool kits and sample documents, and 48 states said they could benefit from more national or regional conferences to share lessons learned and promising practices. Education officials said that they have also heard that states want more opportunities to share information and are looking for ways to do this. Forty-three states also reported that they could use additional assistance in evaluating the effectiveness of school improvement activities, and 42 states said they could benefit from more help with monitoring and assessing school improvement activities.

Education has taken steps to address concerns about the What Works Clearinghouse and to provide additional resources aimed at addressing areas in which states want more help. An Education official told us that the recently implemented Doing What Works Web site is aimed at helping educators adapt and use the research-based practices on the What Works Clearinghouse. To do this, the Doing What Works Web site provides the following: (1) information to help make the research on effective practices more understandable for educators, (2) links to real-life examples such as

interviews with teachers and pictures from classrooms to help show the practices in action, and (3) tools and resources that educators can use in their own planning and training efforts. As far as providing more help on monitoring and evaluating school improvement activities, Education officials told us that they plan to collect additional information about successful school improvement practices as part of the new school improvement grants—authorized under NCLBA and funded for the first time in 2007. States receiving these grants will be required to track and report outcomes such as increased student proficiency and how school improvement activities helped schools improve. Education plans to compile this information and discuss this topic at a meeting of state Title I directors in early 2008. In addition, the Administration, as part of its proposed revision to the school improvement section of NCLBA, is recommending that Education be allowed to reserve up to 1 percent of Title I funds to conduct research, evaluation, and dissemination activities related to effective school and district school improvement activities.

Conclusions

While the hold-harmless provision is intended to shield districts from receiving less in Title I funds than in the previous year as a result of the school improvement set-aside, we found some evidence that it may be preventing some of the neediest schools that face the most challenges to improving the academic achievement of their students from obtaining these funds. When states cannot set aside the full 4 percent of Title I for school improvement, their ability to target funds at the lowest-performing schools is diminished. Effectively, the hold-harmless provision prioritizes preserving the Title I funding of all eligible Title I districts over ensuring that the lowest-performing schools receive funds for school improvement. Furthermore, the variability from year to year in state Title I funds can affect some states' ability to sustain a steady stream of support for low-performing schools. Removing the hold-harmless provision, as Education has proposed, would clearly increase states' ability to target improvement funds to the lowest-performing schools. However, while Education points out that set-aside funds come from districts with increasing Title I allocations, it is still not known how removing the hold-harmless provision would affect those districts protected by it. It would be helpful for Congress as it deliberates reauthorization of NCLBA to know the characteristics of districts that contribute to the set-aside compared to those that are protected by the hold-harmless provision, particularly in terms of student characteristics and school performance.

Thousands of schools have received Title I school improvement funds intended to help schools raise student achievement, and states have

generally targeted these funds to schools with the most persistent achievement problems. However, without additional monitoring steps by Education to ensure that states are appropriately allocating funds for district-level activities and prioritizing funds to the lowest-achieving schools, some schools most in need of assistance may not receive funding. While Education monitors every state's improvement program every 3 years, it has not uncovered several compliance issues that we identified. Further, because some states do not track which schools receive improvement funds and could not make this information publicly available, as required under NCLBA, Education and others have not been in the best position to ensure that school improvement funds are used only for Title I schools and targeted to the lowest-performing schools. Ensuring that states track which schools receive improvement funds and can make this information publicly available enhances transparency and accountability, and better enables the public, Education, and states to track compliance and progress.

Recommendations for Executive Action

To enhance state efforts to target improvement funds to schools most in need of assistance, we are making the following three recommendations to the Secretary of Education:

- To further support the department's proposal to eliminate the hold-harmless provision, develop an analysis comparing the characteristics of districts that contribute to the set-aside with those protected by the hold-harmless provision. Such an analysis could identify differences in school performance or student characteristics.
- Review the Title I monitoring process to ensure that steps are in place to ensure that states comply with NCLBA requirements for allocating school improvement funds to districts for district-level activities and prioritizing funds to the lowest performing schools.
- Ensure that states track which schools receive improvement funds and can comply with the requirement to make a list publicly available of all schools receiving Title I improvement funds by providing guidance to clarify when and how this information is to be made available and by monitoring state compliance.

Agency Comments and Our Evaluation

We provided a draft of this report to the Department of Education for review and comment. In its written response, included as appendix II, Education agreed with our three recommendations. Specifically, Education agreed to explore options to determine the types of analyses that would be helpful to inform the debate on eliminating the hold-harmless provision. Education also agreed to review its monitoring process and consider changes to gather additional evidence on whether school improvement funds are being allocated and prioritized as required by statute. In addition, Education agreed that it will explore options for providing guidance to states on the NCLBA requirement that states make publicly available a list of all schools receiving Title I school improvement funds. Education also identified some of the steps it has taken to collect additional information on the allocation and use of school improvement funds and to identify successful school improvement strategies.

Copies of this report are being sent to the Secretary of Education, relevant congressional committees, and other interested parties. We will also make copies available to others upon request. In addition, the report will be made available at no charge on GAO's Web site at <http://www.gao.gov>. Please contact me at (202) 512-7215 if you or your staff have any questions about this report. Other contacts and major contributions are listed in appendix IV.

Sincerely yours,



Cornelia M. Ashby
Director,
Education, Workforce, and
Income Security Issues

Appendix I: Scope and Methodology

To address the objectives of this study, we used a variety of methods. To obtain nationally representative information on states' school improvement funding, types of activities being funded, and federal assistance, we administered a survey to state education agency officials in all 50 states and the District of Columbia. To get a national perspective of schools in improvement, we conducted descriptive analyses of characteristics of schools that received improvement funds and compared them to all schools identified for improvement and all other Title I schools nationwide. We also conducted site visits during which we interviewed state, district, and school officials representing 5 states and 12 school districts within these states. We spoke with officials at Education involved in oversight and distribution of school improvement funds and reviewed Education's data on schools identified for improvement. We also interviewed several experts in the field of school improvement. We reviewed relevant federal laws, regulations, and agency guidance. We conducted our work from January 2007 through February 2008 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Survey of States

To better understand states' school improvement efforts, particularly how states are allocating and tracking school improvement funds and activities, we designed and administered a survey to state education agency officials in all 50 states and the District of Columbia between July and October 2007 and had a 100 percent response rate.

The survey included questions on the amount of Title I improvement funds states have reserved and expended, what other federal or state funds are being used, what types of improvement activities are being funded, how activities are being monitored and assessed, and assistance received from Education.

Because this was not a sample survey, there are no sampling errors. However, the practical difficulties of conducting any survey may introduce nonsampling errors, such as variations in how respondents interpret questions and their willingness to offer accurate responses. We took steps to minimize nonsampling errors, including pretesting draft instruments and following up with states to discuss questionable responses. Specifically, during survey development, we pretested draft instruments

with officials in Rhode Island, Ohio, Illinois, Montana, and Florida between May and June 2007. In the pretests, we were generally interested in the clarity of the questions and the flow and layout of the survey. For example, we wanted to ensure that definitions used in the surveys were clear and known to the respondents, categories provided in closed-ended questions were complete and exclusive, and the ordering of survey sections and the questions within each section were appropriate. On the basis of the pretests, the survey instrument underwent some slight revision. A second step we took to minimize nonsampling errors was contacting state officials via phone and e-mail to follow up on obvious inconsistencies, errors, and incomplete answers. We also performed computer analyses to identify inconsistencies in responses and other indications of error. In addition, a second independent analyst verified that the computer programs used to analyze the data were written correctly.

Education and State Data

For our analysis, we used data from three sources—state-provided data on schools that received Title I improvement funds in each state, Education’s Common Core of Data (CCD), and Education’s Consolidated State Performance Reports (CSPR). For comparison, we created three discrete groups of schools: (1) schools identified for improvement that received funds and services, (2) schools identified but not receiving funds and services, and (3) all other Title I schools that were not identified for improvement for school year 2005-2006.

To obtain information on the characteristics of schools receiving school improvement funds, we requested information from each state on the schools identified for school choice, supplemental educational services, corrective action, or restructuring in their respective state that received Title I set-aside school improvement funds or services pursuant to §1003(a) of the No Child Left Behind Act (NCLBA) during the 2004-2005, 2005-2006, and 2006-2007 school years. We also asked states to indicate the percentage of students from families with incomes below the poverty line for each school that received improvement funds during the 3 school-year time frame. In addition, we asked states to provide information on each school that included (1) the school’s full name; (2) the school’s address, city, and state; (3) the school’s district name; and (4) the school’s National Center for Education Statistics (NCES) school identification; (5) the school’s year of improvement under NCLBA: first year of improvement (school choice), second year of improvement (school choice and supplemental educational services), third year of improvement (school choice, supplemental educational services, and corrective action), fourth

year of improvement (school choice, supplemental educational services, and plan for restructuring), or fifth year of improvement (school choice, supplemental educational services, and implementing a restructuring plan); and (6) we asked states, if possible, to provide the amount of Title I set-aside funds (and any other federal/state improvement funds, if applicable) that each school received.

Three states were unable to provide this information, and 1 state provided partial information, so our data on school characteristics are presented only for those states that provided this information.¹ We reviewed the lists of schools receiving improvement funds for obvious inconsistencies, errors, and completeness. When we found discrepancies, we brought them to the attention of state officials and worked with them to correct the discrepancies before conducting our analyses. On the basis of these efforts, we determined that the data were sufficiently reliable for the purposes of this report.

Our other two data sources were data from Education's CCD and CSPR. The CCD is a program of Education's National Center for Education Statistics that annually collects data from state education agencies about all public schools, public school districts, and state education agencies in the United States. At the time we began our analysis, the latest CCD data available were from the 2005-2006 school year. Although we based our analysis on schools in improvement in 2006-2007, the characteristics were based on those of the prior year. To compare the characteristics of schools that received improvement funds to those of all schools in improvement and all Title I schools for 2005-2006, we used data from CSPR, which is the required data tool for each state, the District of Columbia, and Puerto Rico and contains lists of schools identified for improvement by state. The CSPR also provides each school's nationally unique identification number, allowing us to link data on these schools with data provided in the CCD. For our analysis, we excluded Puerto Rico, Arkansas, Florida, and North Carolina because they could not provide information on which schools received funds. In addition, we did not have complete information from California because state officials provided a partial list of schools that received funds. We compared schools in improvement from the CCD for school year 2005-2006 with all other Title I eligible schools not identified

¹ Arkansas, Florida, and North Carolina provided information on districts that received funds, but could not provide information on which schools received funds, and California provided a partial list of schools that received funds.

for improvement. We also compared states' lists of schools in improvement that received funds or services from the 2005-2006 CSPR with lists of schools that were in improvement but did not receive funding or services.

We performed a series of tests and took additional steps as needed to assess the reliability of the data used. Specifically, we assessed the reliability of the data by (1) examining the data for obvious inconsistencies, (2) reviewing existing information about the data and the system that produced them, and (3) interviewing agency officials knowledgeable about the data. We determined that the data were sufficiently reliable for the purposes of this report.

Site Visits

To understand school improvement funding and implementation at the local level, we conducted site visits to 5 states and 12 districts and 22 schools within these states between April and October 2007. The states we chose were California, Georgia, Michigan, New Mexico, and Ohio, which were selected based on having high percentages of schools identified for improvement, variation in Title I set-aside funding allocation methods and administrative structures, and geographic diversity. We interviewed state officials on states' efforts to allocate federal and state school improvement funds, provide assistance to schools identified for improvement, and Education's assistance to states.

Within each of the 5 states, we met officials from 2 school districts, and in Michigan, we met with officials from 4 school districts for a total of 12 school districts, as shown in table 8. The 12 districts were selected to provide variety in demographics, geographic location, and stages of improvement.

Table 8: School Districts Selected for Site Visits

School district	City, state
Albuquerque Public Schools	Albuquerque, New Mexico
Columbus City Schools	Columbus, Ohio
DeKalb County School System	Decatur, Georgia
Detroit Public Schools	Detroit, Michigan
Grand Rapids Public Schools	Grand Rapids, Michigan
Hall County Schools	Gainesville, Georgia
Kent Intermediate School District	Grand Rapids, Michigan

School district	City, state
Lodi Unified School District	Lodi, California
Portsmouth City School District	Portsmouth, Ohio
Roswell Independent School District	Roswell, New Mexico
Wyoming Public Schools	Wyoming, Michigan
Yuba City Unified School District	Yuba City, California

Source: GAO.

During the site visits, we interviewed state and district officials as well as officials representing 22 schools, including principals, teachers, and other school staff involved with school improvement activities in order to provide in-depth information and illustrative examples of our more general findings. The selected schools represented varying stages of improvement, grade levels served, and locales. While, in many cases, district officials selected the schools we visited, we instructed state and district officials to consider each school’s stage of improvement and percentage of economically disadvantaged students, among other characteristics. Through our interviews with state, district, and school officials, we collected information on school improvement funding, school improvement activities being undertaken, and state and district assistance to schools identified for improvement.

Education and Expert Interviews and Studies

To learn more about Education’s oversight of Title I school improvement funds and efforts to assist states in implementation of school improvement provisions, we conducted interviews with representatives of the offices of Student Achievement and School Accountability Programs; Planning, Evaluation, and Policy Development; Institute of Education Sciences; Office of School Support and Technology Programs; and the Office of General Counsel.

In addition, we interviewed experts on school improvement, including those at the American Institutes for Research, Center on Education Policy, Council of Chief State School Officers, and the National Governors Association. We also reviewed several studies on school improvement funding and activities.

Appendix II: Comments from the Department of Education



UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF ELEMENTARY AND SECONDARY EDUCATION

THE ASSISTANT SECRETARY

February 21, 2008

Ms. Cornelia M. Ashby
Director, Education, Workforce
and Income Security Issues
Government Accountability Office
441 G Street, NW
Washington, DC 20548

Dear Ms. Ashby:

I am writing in response to your request for comments on the Government Accountability Office (GAO) draft report (GAO 08-380), dated February 2008, and entitled "No Child Left Behind Act: Education Actions Could Improve the Targeting of School Improvement Funds to Schools Most in Need of Assistance." I appreciate the opportunity to comment on the draft report.

The following are responses to the specific recommendations in the report calling for the Department to take actions to enhance State efforts to target school improvement funds to schools most in need of assistance:

Recommendation 1. *To further support the department's proposal to eliminate the hold-harmless provision, develop an analysis comparing the characteristics of districts that contribute to the set-aside with those protected by the hold-harmless provision. Such an analysis could identify differences in school performance or student characteristics.*

The Department agrees with the importance of identifying additional data to inform the debate on eliminating the hold-harmless provision in section 1003(e) of Title I of the Elementary and Secondary Education Act and will explore multiple options to determine the types of analyses that may be helpful in this regard.

Recommendation 2. *Review the Title I monitoring process to ensure that steps are in place to ensure that states comply with NCLBA requirements for allocating school improvement funds to districts for district-level activities and prioritizing funds to the lowest performing schools.*

The Department agrees with this recommendation. The Department will review its monitoring process and consider changes that we might make in order to gather additional evidence on whether school improvement funds are being allocated and prioritized as required by the statute. Additionally, as part of the application package for fiscal year 2007 school improvement funds provided under section 1003(g), we notified States that they will be expected to report annually to the Department the amount of school improvement funds allocated to local educational agencies (LEAs) on behalf of eligible schools under both section 1003(a) and section 1003(g).

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Our mission is to ensure equal access to education and to promote educational excellence throughout the Nation.

In addition, we required States, as part of their application, to include the criteria they will use to prioritize those funds to LEAs with the lowest-achieving schools that demonstrate the greatest need for the funds and the strongest commitment to ensuring that the funds are used to provide adequate resources for the lowest-achieving schools to meet the goals for improvement under section 1116. States also indicated how they define “greatest need” and “strongest commitment.” Further, they indicated their criteria for determining grant award amounts to LEAs to ensure that each grant is of sufficient size and scope to support the activities required under sections 1116 and 1117 and is not less than \$50,000 or more than \$500,000 for each participating school. We will monitor to ensure that States have implemented these requirements consistent with their applications.

Recommendation 3. *Ensure that states track which schools receive improvement funds and can comply with the requirement to make a list publicly available of all schools receiving Title I improvement funds by providing guidance to clarify when and how this information is to be made available and by monitoring state compliance.*

The Department agrees with this recommendation. In addition to the monitoring review described above, the Department will explore a range of options for providing guidance to States concerning the requirement that States make publicly available a list of all schools receiving Title I school improvement funds.

I would also like to take this opportunity to indicate that, in addition to addressing the issues you have identified, the Department is very interested in acquiring more information on the uses of school improvement funds. This includes information on how State educational agencies are identifying effective strategies for improving student achievement supported with these funds and on how they are disseminating this information to other LEAs in the State. To this end, the application process for fiscal year 2007 school improvement funds authorized under 1003(g) required States to identify how they will assess the effectiveness of activities carried out with school improvement funds and disseminate information on what works. We are also requiring States to identify for the Department those school improvement strategies that have effectively contributed to increased student achievement and to schools’ making adequate yearly progress.

We appreciate the opportunity to share our comments and plans.

Please let me know if you need additional information regarding activities underway at the Department to ensure the effective targeting and use of Title I school improvement funds.

Sincerely,



Kerri L. Briggs, Ph. D.

Appendix III: GAO Contacts and Acknowledgments

GAO Contact

Cornelia M. Ashby, (202) 512-7215, ashbyc@gao.gov

Acknowledgments

Bryon Gordon, Assistant Director, and Laura Heald, Analyst-in-Charge, managed the assignment. Cheri Harrington, Cara Jackson, Charlene Johnson, and Nathan Myers made significant contributions to this report in all aspects of the work. Shannon Groff and Ayeke Messam provided assistance in data collection; Cathy Hurley, Stuart Kaufman, and Jean McSween provided analytical assistance; Charlie Willson provided assistance on report preparation; Sheila McCoy provided legal support; Tina Cheng and Mimi Nguyen developed the report's graphics; and Lise Levie verified our findings.

Related GAO Products

No Child Left Behind Act: Education Should Clarify Guidance and Address Potential Compliance Issues for Schools in Corrective Action and Restructuring Status. [GAO-07-1035](#). Washington, D.C.: September 5, 2007.

Teacher Quality: Approaches, Implementation, and Evaluation of Key Federal Efforts. [GAO-07-861T](#). Washington, D.C.: May 17, 2007.

No Child Left Behind Act: Education Actions May Help Improve Implementation and Evaluation of Supplemental Educational Services. [GAO-07-738T](#). Washington, D.C.: April 18, 2007.

No Child Left Behind Act: Education Assistance Could Help States Better Measure Progress of Students with Limited English Proficiency. [GAO-07-646T](#). Washington, D.C.: March 23, 2007.

Reading First: States Report Improvements in Reading Instruction, but Additional Procedures Would Clarify Education's Role in Ensuring Proper Implementation by States. [GAO-07-161](#). Washington, D.C.: February 28, 2007.

No Child Left Behind Act: Education Actions Needed to Improve Implementation and Evaluation of Supplemental Educational Services. [GAO-06-1121T](#). Washington, D.C.: September 21, 2006.

No Child Left Behind Act: Education Actions Needed to Improve Local Implementation and State Evaluation of Supplemental Educational Services. [GAO-06-758](#). Washington, D.C.: August 4, 2006.

No Child Left Behind Act: States Face Challenges Measuring Academic Growth. [GAO-06-948T](#). Washington, D.C.: July 27, 2006.

No Child Left Behind Act: Assistance from Education Could Help States Better Measure Progress of Students with Limited English Proficiency. [GAO-06-815](#). Washington, D.C.: July 26, 2006.

No Child Left Behind Act: States Face Challenges Measuring Academic Growth That Education's Initiatives May Help Address. [GAO-06-661](#). Washington, D.C.: July 17, 2006.

No Child Left Behind Act: Improved Accessibility to Education's Information Could Help States Further Implement Teacher Qualification Requirements. [GAO-06-25](#). Washington, D.C.: Nov. 21, 2005.

No Child Left Behind Act: Education Could Do More to Help States Better Define Graduation Rates and Improve Knowledge about Intervention Strategies. [GAO-05-879](#). Washington, D.C.: Sept. 20, 2005.

No Child Left Behind Act: Most Students with Disabilities Participated in Statewide Assessments, but Inclusion Options Could Be Improved. [GAO-05-618](#). Washington, D.C.: July 20, 2005.

No Child Left Behind Act: Education Needs to Provide Additional Technical Assistance and Conduct Implementation Studies for School Choice Provision. [GAO-05-7](#). Washington, D.C.: Dec. 10, 2004.

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No Child Left Behind Act: Additional Assistance and Research on Effective Strategies Would Help Small Rural Districts. [GAO-04-909](#). Washington, D.C.: Sept. 23, 2004.

No Child Left Behind Act: More Information Would Help States Determine Which Teachers Are Highly Qualified. [GAO-03-631](#). Washington, D.C.: July 17, 2003.

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