

**GAO**

Testimony

Before the Subcommittee on Early  
Childhood, Elementary and Secondary  
Education, Committee on Education and  
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# NO CHILD LEFT BEHIND ACT

## Education Actions May Help Improve Implementation and Evaluation of Supplemental Educational Services

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





Highlights of [GAO-07-738T](#), a report to Subcommittee on Early Childhood, Elementary and Secondary Education, Committee on Education and Labor, House of Representatives

## Why GAO Did This Study

The No Child Left Behind Act (NCLBA) requires districts with schools that receive Title I funds and that have not met state performance goals for 3 consecutive years to offer low-income students supplemental educational services (SES), such as tutoring. This testimony discusses early implementation of SES, including how (1) SES participation changed in recent years; (2) providers work with districts to deliver services; (3) states monitor and evaluate SES; and (4) the U.S. Department of Education (Education) monitors and supports SES implementation.

This testimony is based on an August 2006 report (GAO-06-758) and also provides information on actions Education has taken that respond to our recommendations. For the report, GAO surveyed all states and a nationally representative sample of districts with schools required to offer SES, visited four school districts, and interviewed SES providers.

## What GAO Recommends

The GAO report recommended that Education clarify guidance and provide information on promising practices, consider expanding flexibility and clarifying state authority, and collect information on district SES expenditures and provide evaluation assistance. Education generally supported GAO's recommendations.

[www.gao.gov/cgi-bin/getrpt?GAO-07-738T](http://www.gao.gov/cgi-bin/getrpt?GAO-07-738T).

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

# NO CHILD LEFT BEHIND ACT

## Education Actions May Help Improve Implementation and Evaluation of Supplemental Educational Services

### What GAO Found

SES participation increased from 12 to 19 percent between school years 2003-2004 and 2004-2005. District actions to increase participation have included greater efforts to notify parents. However, timely and effective notification of parents remains a challenge, as does attracting providers to serve certain areas and students, such as rural districts and students with disabilities.

To promote improved student academic achievement and service delivery, SES providers took steps to align their curriculum with district instruction and communicate with teachers and parents. However, the extent of these efforts varied, as some providers did not have any contact with teachers in almost 40 percent of districts or with parents in about 30 percent of districts. Both providers and district officials experienced challenges related to contracting and coordination of service delivery. In part because SES is often delivered in school facilities, providers and district and school officials reported that greater involvement of schools can improve SES delivery.

While states' monitoring of district and provider efforts to implement SES had been limited in past years, more states reported conducting on-site reviews and other monitoring activities during 2005-2006. Districts also increased their oversight role. However, many states continue to struggle with how to evaluate whether SES providers are improving student achievement. While a few states have completed evaluations, none provides a conclusive assessment of SES providers' effect on student academic achievement.

Education conducts SES monitoring in part through policy oversight and compliance reviews of states and districts, and provides SES support through written guidance, grants, and technical assistance. Education monitoring found uneven implementation and compliance with SES provisions, and states and districts reported needing SES policy clarification and assistance in certain areas, such as evaluating SES. Many states also voiced interest in Education's pilot programs that increase SES flexibility, including the recently expanded pilot allowing certain districts identified as in need of improvement to act as providers. Since GAO's report was published, Education has taken several actions to help improve SES implementation and monitoring, such as disseminating promising practices and guidance, and meeting with states, districts, and providers.

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Mr. Chairman and Members of the Subcommittee:

I am pleased to be here today to present information from our August 2006 report on early implementation of the supplemental educational services (SES) provisions of the No Child Left Behind Act (NCLBA).<sup>1</sup> While our September testimony before the full committee provided an overview of that report,<sup>2</sup> at your request, today I will expand on SES access and delivery; state and federal oversight of SES implementation and quality; and recent U.S. Department of Education (Education) actions to improve SES implementation.

In school year 2006-2007, Title I of NCLBA—the most recent reauthorization of the Elementary and Secondary Education Act (ESEA)—provided \$12.7 billion in federal funds to more than 50,000 public schools nationwide in order to improve the education of low-income students. When a school receiving Title I funds does not meet state performance goals designated under NCLBA for 2 years, the district must offer students the choice of transferring to another school in the district that is not in improvement status. When a school receiving Title I funds does not meet state NCLBA performance goals for 3 or more years, the district must offer SES to all of the low-income students enrolled in the school. SES includes tutoring and remediation that are provided outside of the regular school day by a state-approved provider, such as a for-profit company or a community-based organization. Districts with schools required to offer school choice and SES must set aside an amount equal to 20 percent of their Title I funds to provide choice-related transportation and SES for eligible students in these schools.

While states set NCLBA performance goals and schools are judged on the performance of their students, responsibility for SES implementation is primarily shared by states and school districts. Specifically, states are responsible for reviewing provider applications to assess each provider's record of effectiveness and program design and approving, monitoring, and evaluating providers. Districts are responsible for notifying parents of

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<sup>1</sup> GAO, *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.: Aug. 4, 2006).

<sup>2</sup> GAO, *No Child Left Behind Act: Education Actions Needed to Improve Implementation and Evaluation of Supplemental Educational Services*, [GAO-06-1121T](#) (Washington, D.C.: Sept. 21, 2006).

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their child's eligibility for SES and contracting with the state-approved providers that parents select for services.

Although some districts were first required to offer SES in school year 2002-2003, others did not have to offer SES until 2003-2004 or after, and therefore, states and districts are at different stages of implementing the SES provisions. My testimony today will focus on early implementation of SES. Specifically, I will discuss (1) how the proportion of eligible students receiving services has changed in recent years and actions that have been taken to increase participation; (2) how providers are working with districts and schools to provide services that increase student achievement; (3) the extent to which states and districts are monitoring and evaluating SES; and (4) how Education monitors state SES implementation and assists state and district efforts.

In summary, the SES participation rate increased from 12 to 19 percent of eligible students between school years 2003-2004 and 2004-2005. While districts have provided written information notifying parents of SES and taken other actions to encourage participation, challenges remain, such as notifying parents in a timely and effective manner. Regarding local SES implementation, while providers took steps to align their curriculum with district instruction and communicate with teachers and parents to promote improved student academic achievement, both providers and districts experienced contracting and coordination difficulties. In part because SES is often delivered in school facilities, providers as well as district and school officials reported that involvement of school administrators and teachers can improve SES delivery and coordination. Further, while state monitoring of SES had been limited, at the time of our review, more states reported taking or planning to take steps to monitor district and provider efforts to implement SES in school year 2005-2006 than had done so in 2004-2005. However, monitoring continues to be a challenge, and states also continue to struggle to develop meaningful evaluations of SES providers. Regarding federal oversight of SES implementation, although several Education offices monitor various aspects of SES activity across the country and provide support, states and districts reported needing additional assistance and flexibility with program implementation.

Our August report made several recommendations to Education to help states and districts implement SES more effectively and use SES funding to provide services to the maximum number of students and to improve federal and state monitoring of SES. Education expressed appreciation for

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the report's recommendations and has made significant progress toward addressing some of them.

Our prior report was based on a Web-based survey of SES coordinators in all 50 states, the District of Columbia (D.C.), and Puerto Rico, and a mail survey of SES coordinators in a nationally representative sample of districts with schools required to offer SES. Our district survey sample included all 21 districts required to offer SES with 100,000 or more total enrolled students. Seventy-seven percent of district SES coordinators, including all coordinators from districts with 100,000 or more enrolled students, and all state SES coordinators responded to the surveys. In addition, we conducted site visits to one school district in each of four states (Woodburn, Ore.; Newark, N.J.; Chicago, Ill.; and Hamilton County, Tenn.) during which we interviewed state, district, and school officials. We also conducted interviews with 22 SES providers in our site visit districts and others. In addition, we spoke with staff at Education involved in SES oversight and implementation and reviewed Education's data on SES. In our surveys and other data collection efforts, we asked questions about SES implementation during specific school years; therefore, all years cited refer to school years. We conducted the review in accordance with generally accepted government auditing standards.

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## Background

Enactment of NCLBA strengthened accountability by requiring states and schools to improve the academic performance of their students so that all students are proficient in reading and math by 2014. Under NCLBA, each state creates its own content standards, academic achievement tests, and proficiency levels, and establishes and implements adequate yearly progress (AYP) goals for districts and schools. Students in specified grades are tested annually to determine whether districts and schools are making AYP.

Title I<sup>3</sup> authorizes federal funds to help elementary and secondary schools establish and maintain programs that will improve the educational opportunities of economically disadvantaged children. Under NCLBA, districts are required to implement specific interventions in schools receiving federal Title I funds when they do not meet state AYP goals (see

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<sup>3</sup> In this testimony, we refer to Title I, Part A of ESEA as "Title I." Other Parts of Title I (Parts B, C, and D) are targeted at specific populations or purposes and are commonly referred to by their program names, such as Even Start.

table 1). Students from low-income families who attend schools receiving Title I funds that have missed AYP goals for 3 consecutive years are eligible for SES. Because some schools receiving Title I funds had not met state goals set under ESEA before the enactment of NCLBA, these schools were first required to offer SES in 2002-2003, the first year of NCLBA implementation.

**Table 1: NCLBA Interventions for Schools Not Meeting Yearly Performance Goals over Time**

<b>Number of years school misses performance goals</b>	<b>School status in the next year</b>	<b>NCLBA interventions for Title I schools</b>
First year missed	N/A	None
Second year missed	Needs Improvement – First Year	Required to offer school choice
Third year missed	Needs Improvement – Second Year	Required to offer school choice and SES <sup>a</sup>
Fourth year missed	Corrective Action <sup>b</sup>	Also required to offer school choice and SES <sup>a</sup>
Fifth year missed	Planning for Restructuring <sup>c</sup>	Also required to offer school choice and SES <sup>a</sup>
Sixth year missed	Implementation of Restructuring	Also required to offer school choice and SES

Source: GAO analysis of NCLBA.

Note: N/A = not applicable.

<sup>a</sup>Students who opt to transfer to another school in the district that is not in improvement status are not eligible to receive SES, as they are no longer in a school required to offer these services to its students.

<sup>b</sup>Corrective action is a significant intervention in a school that is designed to remedy the school's persistent inability to make adequate progress toward all students becoming proficient in reading and mathematics.

<sup>c</sup>Restructuring is a major reorganization of a school, involving fundamental reforms, such as significant changes in the school's staffing and governance. For example, some schools may be converted to charter schools during restructuring.

Under NCLBA, SES primarily include tutoring provided outside of the regular school day that is designed to increase the academic achievement of economically disadvantaged students in low-performing Title I schools. These services must consist of high-quality, research-based instruction that aligns with state educational standards and district curriculum. SES providers may include nonprofit entities, for-profit entities, school districts, public schools, public charter schools, private schools, public or private institutions of higher education, educational service agencies, and faith-based organizations. However, a district classified as needing

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improvement or in corrective action because it failed to meet state AYP goals for several years may not be an SES provider, though its schools that are not identified as needing improvement may provide services. In addition, individual teachers who work in a school or district identified as in need of improvement may be hired by any state-approved provider to serve as a tutor in its program.

A district must set aside an amount equal to 20 percent of its Title I allocation to fund both SES and transportation for students who elect to attend other schools under school choice. After ensuring all eligible students have had adequate time to opt to transfer to another school or apply for SES, the district may reallocate any unused set-aside funds to other Title I activities. For each student receiving SES, a district must spend an amount equal to its Title I per-pupil allocation or the actual cost of provider services, whichever is less.<sup>4</sup>

Education oversees SES implementation by monitoring states and providing technical assistance and support. NCLBA, the Title I regulations, and SES guidance outline the roles and responsibilities states, school districts, service providers, and parents have in ensuring that eligible students receive additional academic assistance through SES (see table 2).

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<sup>4</sup> A state or each of its districts calculates the Title I per pupil allocation by dividing the district's total Title I, Part A allocation by the number of children residing within the district aged 5 to 17 who are from families below the poverty level, as determined by the most recent Census Bureau estimates from the Department of Commerce.

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**Table 2: SES Stakeholder Roles and Responsibilities**

<b>Stakeholder</b>	<b>Roles and responsibilities</b>
State	<p>Set criteria and standards for approving providers</p> <p>Identify, approve, and maintain public list of providers</p> <p>Ensure that the list of approved providers includes organizations that are able to serve students with disabilities and limited English proficiency</p> <p>Monitor and evaluate the effectiveness of provider services</p> <p>Monitor district SES implementation</p> <p>Develop and use policy criteria for withdrawing providers from state-approved list, including if</p> <ul style="list-style-type: none"><li>• provider fails for 2 consecutive years to increase student proficiency relative to state academic content and achievement standards</li><li>• provider fails to adhere to applicable health, safety, and civil rights requirements</li></ul>
School district	<p>Provide an annual notice to parents, which must identify available providers; describe the enrollment process and timeline; describe the services, qualifications, and demonstrated effectiveness of each provider; and be easily understandable</p> <p>Help parents choose a provider, if requested</p> <p>Protect the privacy of students eligible for and receiving services</p> <p>Calculate and establish the SES per pupil allocation if not determined by the state</p> <p>Determine which students should receive services if more students apply for SES than can be served with available funds</p> <p>Enter into contracts with providers</p> <p>Ensure eligible students with disabilities and eligible students with limited English proficiency may participate in SES</p> <p>At the discretion of the state, may be involved in collecting data from providers to assist state monitoring and evaluation activities</p>
Providers	<p>Provide services in accordance with district agreements</p> <p>Enable students to attain their individual achievement goals</p> <p>Measure student progress and inform parents and teachers of progress made by students</p> <p>Ensure non-disclosure of student data to the public</p> <p>Provide services consistent with applicable health, safety, and civil rights laws</p> <p>Provide services that are secular, neutral, and non-ideological</p>
Parents	<p>Choose a provider from the state-approved list</p> <p>Are encouraged to be actively involved in their child's SES program</p>

Source: GAO, per P.L.107-110, 34 C.F.R. Part 200, or the U.S. Department of Education, Supplemental Educational Services Non-Regulatory Guidance, June 2005.



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## SES Participation Has Increased as Districts Have Taken Actions to Ease Access, but Challenges Remain

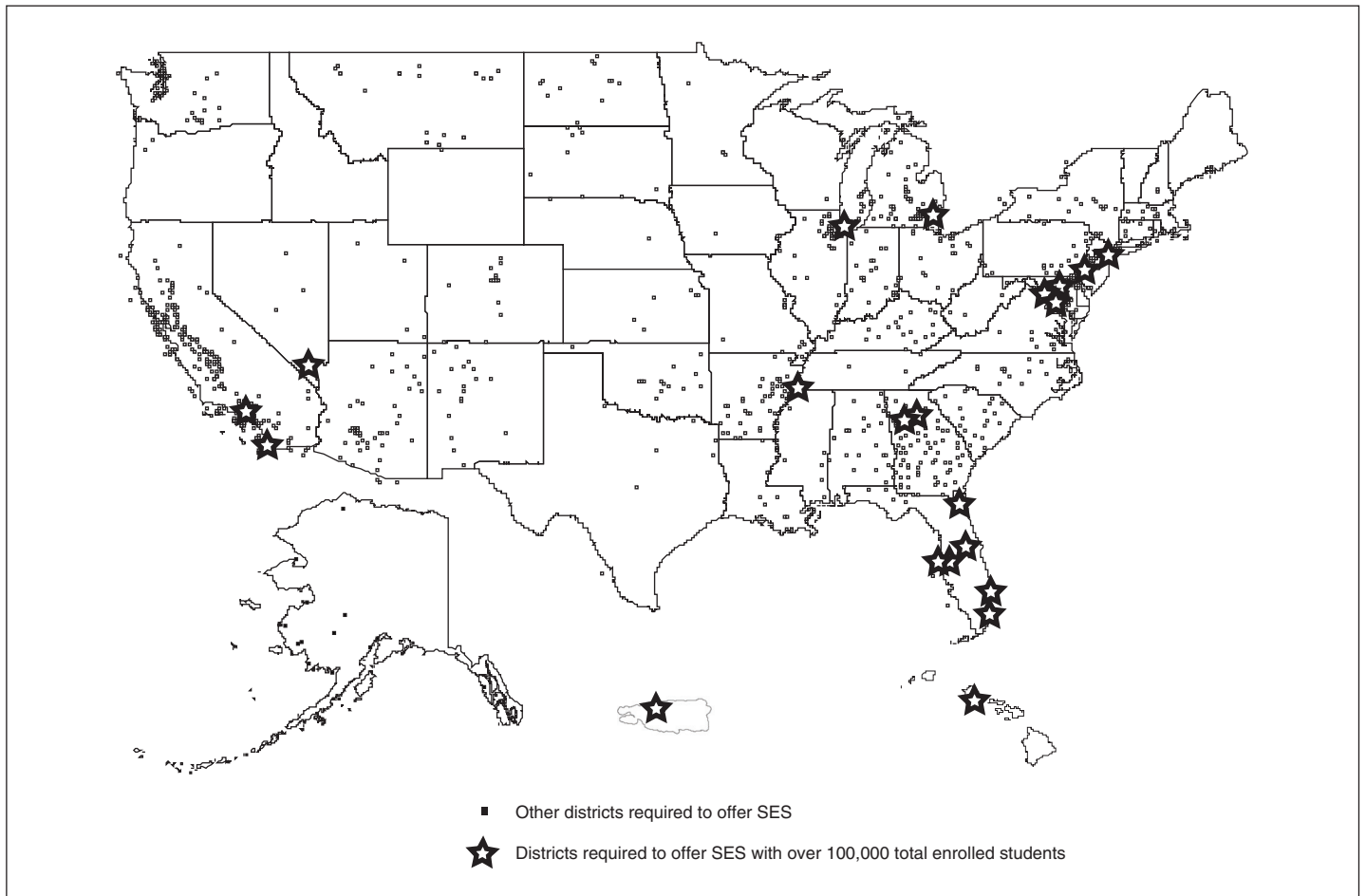
Nationally, the SES participation rate increased substantially from 12 percent of eligible students receiving SES in 2003-2004 to 19 percent in 2004-2005. In addition, the number of students receiving services almost quadrupled between 2002-2003 and 2004-2005 from approximately 117,000 to 430,000 students nationwide, based on the best available national data at the time of our work.<sup>5</sup> This increase may be due in part to the increase in the number of schools required to offer SES over that time period.

While approximately 1,000 of the over 14,000 districts nationwide were required to offer SES in 2004-2005, SES recipients were concentrated in a small group of large districts—56 percent of recipients attended school in the 21 districts required to offer SES with more than 100,000 total enrolled students (see fig. 1). Further, about 20 percent of the districts required to offer SES in 2004-2005 had no students receiving services. A majority of these districts were rural or had a total enrollment of fewer than 2,500 students.

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<sup>5</sup> Certain states did not submit SES recipient information to Education through their NCLBA Consolidated State Performance Reports for all years. Specifically, 2002-2003 data from Kansas and North Dakota, 2003-2004 data from Pennsylvania, and 2004-2005 data from New Jersey are not included in our estimates. In addition, 2002-2003 data from New York only include information from New York City. Further, Education did not collect data on the number of students eligible for SES in 2002-2003, and therefore, an estimate of the SES participation rate is unavailable for that year.

**Figure 1: School Districts Required to Offer SES in 2004-2005**



Source: GAO.

Many students receiving SES in 2004-2005 shared certain characteristics. For example, districts reported that most students receiving services were among the lower-achieving students in school. Further, over half of SES recipients were elementary school students in the majority of districts, and about 60 percent of schools required to offer SES in 2004-2005 were elementary schools.<sup>6</sup> In some districts, the majority of SES recipients were

<sup>6</sup> Many of the district estimates included in this paragraph have a margin of error that exceeds plus or minus 8 percentage points. See table 9 in appendix I of [GAO-06-758](#) for more information.

African-American or Hispanic. In about 40 percent of districts, over half of SES recipients were African-American, and in about 30 percent of districts, over half of SES recipients were Hispanic. However, districts varied in the percentage of students with limited English proficiency receiving services, and students with disabilities made up less than 20 percent of students receiving services in about two-thirds of districts.

In order to increase SES participation, districts have taken multiple actions. For example, in line with the federal statutory requirement that districts notify parents in an understandable format of the availability of SES, over 90 percent of districts provided written information in English, held individual meetings and/or phone conversations with parents, and encouraged school staff to talk with parents about SES. See table 3 for a list of district actions taken to encourage participation.

**Table 3: District Actions Taken to Encourage SES Participation (2005-2006)**

Action taken during the 2005-2006 school year	Estimated percentage of districts
Provided written information in English to parents	99
Held individual meetings and/or phone conversations with interested parents	95
Encouraged principals, teachers, or other school staff to talk with parents	93
Offered supplemental services in locations that are easily accessible to students after school (e.g., on or near the school campus)	90
Offered SES at a variety of times (e.g., after school, weekends, summer break)	79
Lengthened the period of time parents have to submit applications for SES	79
Held events where parents of eligible students can learn about providers	78
Provided written information in language(s) other than English about SES to parents	72
Made public announcements (e.g., television, billboards, newspaper ads, school newsletters)	67
Worked with a local community partner to raise awareness of SES (e.g., Parent Information Resource Center)	39
Provided or arranged for transportation of students receiving SES to off-site providers	33

Source: GAO analysis of district survey results.

Despite these promising approaches to encourage participation, notifying parents in a timely manner remains a challenge for some districts. An estimated 58 percent of districts did not notify parents that their children may be eligible to receive SES before the beginning of the 2005-2006 school year, which may be due in part to delays in states reporting which

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schools were identified for improvement.<sup>7</sup> Effectively notifying parents is also a challenge for some districts. For example, officials in all four districts we visited reported difficulties contacting parents to inform them about SES in part because some families frequently move and do not always update their mailing addresses with districts. In addition, some providers we interviewed indicated that parental notification letters are confusing and poorly written or not accompanied by additional outreach.

Another challenge to increasing SES participation is attracting more SES providers for certain areas and groups of students. Specifically, some rural districts surveyed indicated that no students received services last year because of a lack of providers in the area.<sup>8</sup> Ensuring there are providers to serve students with limited English proficiency or disabilities has also been a challenge for some districts. We estimate that there were not enough providers to meet the needs of students with limited English proficiency in one-third of districts and not enough providers to meet the needs of students with disabilities in one-quarter of districts.

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## Providers Have Taken Steps to Deliver Quality Services, but Local Implementation Challenges Include Contracting and Coordination

To promote improved student academic achievement and service delivery, providers took steps to gather information on district curriculum and student needs. Specifically, providers aligned their curriculum with district instruction primarily by hiring district teachers and communicating with the teachers of participating students. However, when providers did not hire district teachers, the frequency of contact between tutors and teachers varied, and we estimate that some providers did not contact teachers in almost 40 percent of districts in 2004-2005. Regarding communication with parents, providers reported mailing information as well as meeting with parents over the phone and in-person to communicate information on student needs and progress; however, the

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<sup>7</sup> GAO previously reported that some states have difficulty notifying schools of their status in meeting proficiency goals in a timely fashion in part because of the time involved in identifying and correcting errors in student assessment data. See GAO, *No Child Left Behind Act: Improvements Needed in Education's Process for Tracking States' Implementation of Key Provisions*, [GAO-04-734](#) (Washington, D.C.: Sept. 30, 2004).

<sup>8</sup> GAO previously reported that geographic isolation created difficulties for rural districts in implementing SES. Specifically, rural district officials stated that traveling long distances to meet providers was not a viable option and use of online providers was challenging in some small rural districts where it was difficult to establish and maintain Internet service. See GAO, *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).

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frequency of communication with parents also varied. Specifically, we estimate that some providers did not contact parents in about 30 percent of districts in 2004-2005. Despite these communication challenges, an estimated 90 percent of districts indicated that their working relationships with providers during 2004-2005 were good, very good, or excellent. In addition, many of the providers we interviewed during our site visits also reported having positive working relationships with district officials.

While providers have taken some steps to deliver quality services and establish positive relationships with districts, both providers and districts experienced contracting and coordination difficulties. Regarding contracting, some of the providers we interviewed said certain districts imposed burdensome contract requirements, limited the marketing they could do to parents and students, or restricted the use of school facilities. Districts also reported that contracting is a challenge. We estimate that negotiating contracts with providers was a moderate, great, or very great challenge in about 40 percent of districts nationwide. For example, district officials at three of the sites we visited expressed concern about their lack of authority to set parameters in provider contracts around costs and program design, such as tutor-to-student ratios and total hours of instruction. Specifically, Chicago, Ill., district officials expressed concern about the variation among providers in the hours of instruction and cost of services because the district does not have sufficient funds to serve all eligible students, and officials would like to maximize the number of students they can serve.

Coordination of service delivery has also been a challenge for providers and districts, and sometimes these coordination difficulties have resulted in service delays. For example, services were delayed or withdrawn in certain schools in three of the districts we visited because not enough students signed up to meet the providers' enrollment targets and districts were not aware of these targets.<sup>9</sup> Coordination difficulties also occurred during the enrollment process. Though districts are responsible for arranging SES for eligible students, in two districts we visited, both the district and providers sent enrollment forms to parents, which caused

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<sup>9</sup> In addition to our analysis, the Center on Education Policy case studies also found that in some cases, approved providers that initially expressed interest in serving a certain district later decided not to provide services because too few students enrolled. See the Center on Education Policy, *From the Capital to the Classroom, Year 4 of the No Child Left Behind Act* (Washington, D.C.: March 2006).

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confusion among parents as well as additional work for the district staff processing the forms.

In part because SES is often delivered in school facilities, providers and officials in the districts and schools we visited reported that involvement of school administrators and teachers can improve SES delivery and coordination. Although schools do not have federally defined responsibilities for administering SES, many officials said SES implementation is hindered when school officials are not involved. For example, some providers we interviewed said that a lack of involvement of school principals can make it difficult for them to coordinate with schools to encourage student participation. In addition, Illinois and Oregon school principals told us they found it difficult to manage afterschool activities because they didn't have sufficient authority to oversee SES tutors operating in their buildings at that time. While helping to administer the SES program adds additional administrative burden on schools, school officials in all four of the districts we visited said they welcomed a stronger or more clearly defined role.

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## State and District SES Monitoring Is Increasing Though It Remains a Challenge, and Many States Continue to Struggle with Developing Evaluations

While monitoring of SES had been limited, more states reported taking steps to monitor both district and provider efforts to implement SES in 2005-2006. For example, more states conducted or planned to conduct on-site reviews of districts and providers in 2005-2006 than had done so in 2004-2005. In addition to state efforts to monitor providers, districts have also taken a direct oversight role, and their monitoring activities similarly increased during this time. For example, while we estimate that less than half of districts collected information from parents, school staff, on-site reviews, and students to monitor providers in 2004-2005, 70 percent or more were collecting or planning to collect information from these sources in 2005-2006.

States and districts both collected information on several aspects of SES programs, such as elements related to service delivery and use of funds, to monitor providers (see table 4). For example, 94 percent of states monitored or planned to monitor parent or student satisfaction with providers, and 93 percent of districts monitored or planned to monitor billing and payment for services and student attendance records. District assistance with monitoring is likely welcomed by states, as over two-thirds of states reported that on-site monitoring of providers has been a challenge. During our site visits, officials explained that both state and district capacity to implement SES is limited, because there is typically one staff person at each level coordinating all aspects of SES

implementation, and sometimes that person may also oversee implementation of additional federal education programs.

**Table 4: Percentage of States and Districts That Reviewed Specified Program Elements to Monitor Providers in 2005-2006**

Program element	Percentage of states			Estimated percentage of districts		
	Monitored	Planned to monitor	Monitored or planned to monitor	Monitored	Planned to monitor	Monitored or planned to monitor
Parent/student satisfaction with a provider	27	67	94	34	57	91
Provider communication with teachers and parents	37	56	92	46	43	89
Extent to which a provider's program, as enacted, reflects its program design, as outlined in its application to the state	19	73	92	30	41	70
Evidence of meeting academic achievement goals as stated on student learning plan	23	65	88	28	60	88
Evidence of improved student achievement based on any statewide assessment	15	71	87	26	65	91
Alignment of provider curriculum with district/school curriculum or instruction	25	62	87	35	39	74
Student attendance records	27	56	83	67	25	93
Evidence of improved student achievement based on provider assessments	27	56	83	39	52	91
Protection of student privacy	33	50	83	55	28	82
Adherence to applicable health, safety, and civil rights laws	29	48	77	48	26	74
Provider financial stability (e.g., audits, financial statements)	31	42	73	N/A	N/A	N/A
Evidence of improved student achievement based on grades, promotion, and/or graduation	12	58	69	23	57	80
Billing and payment for services	N/A	N/A	N/A	72	21	93

Source: GAO.

Note: The percentage of states that did not review or plan to review these program elements to monitor providers in 2005-2006 and the percentage of states that did not answer these survey questions are not shown in this table. In addition, we did not ask states if they monitored billing and payment for services, and we did not ask districts if they monitored provider financial stability.

Although states are beginning to increase monitoring of SES implementation, many continue to struggle with developing evaluations to determine whether SES providers are improving student achievement. Specifically, over three-fourths of states reported that determining sufficient academic progress of students, having the time and knowledge to analyze SES data, and developing data systems to track SES

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information have been challenges to evaluating SES providers. Although states are required to withdraw approval from providers that fail to increase student academic achievement for 2 years, at the time of our survey in early 2006, only New Mexico and Tennessee had drafted or completed evaluation reports assessing how all SES providers serving students in their states impacted student academic achievement.<sup>10</sup> However, because of the limitations of these two evaluations, neither provided a conclusive assessment of SES providers' effect on student academic achievement.

Likely because of states' struggle to complete SES evaluations, states did not report that they had withdrawn approval from providers because their programs were determined to be ineffective at increasing student academic achievement.<sup>11</sup> Rather, although over 40 percent of states reported that they had withdrawn approval from some providers, they most frequently reported withdrawing provider approval because the provider was a school or district that had entered needs improvement status, the provider asked to be removed from the state-approved provider list, or because of provider financial impropriety.

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## Several Education Offices Oversee SES Implementation, but States and Districts Reported Needing Additional Assistance and Flexibility

Several offices within Education monitor various aspects of SES activity across the country and provide support, but states and districts reported needing additional assistance and flexibility with SES implementation. Education conducts SES monitoring in part through reviews of policy issues brought to the department's attention and structured compliance reviews of states and districts, and provides SES support through guidance, grants, research, and technical assistance. The Office of Innovation and Improvement (OII) and the Office of Elementary and Secondary Education (OESE) are primarily responsible for monitoring and supporting SES implementation, while the Office of Inspector General

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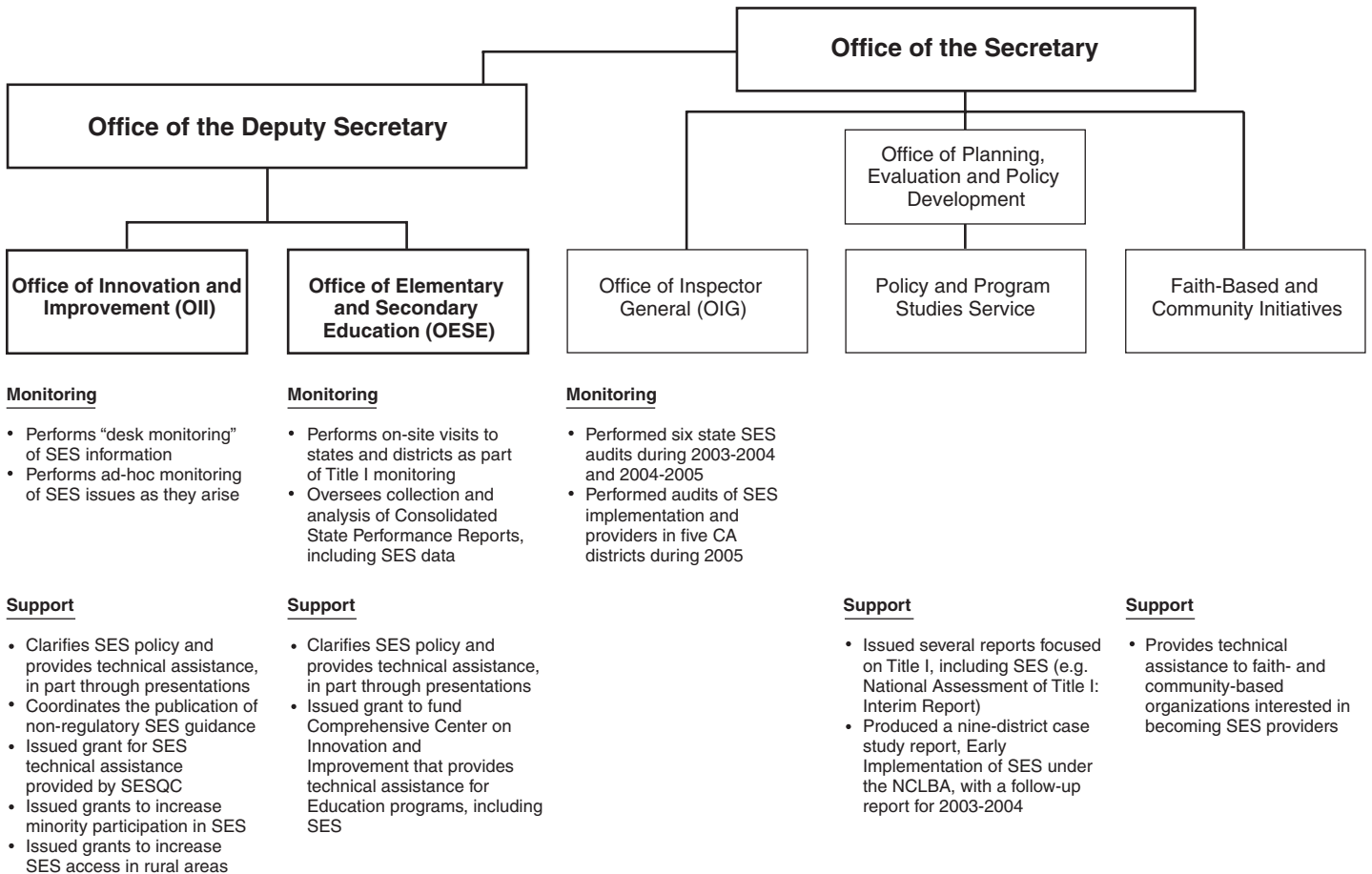
<sup>10</sup> At the time of our survey, several additional states, including Louisiana and Pennsylvania, were in the process of drafting an SES evaluation report that would assess the impact of SES providers serving students in their states, but the reports were not yet available to the public.

<sup>11</sup> Only one state reported withdrawing approval from one of its providers because that provider's program was generally ineffective. However, this provider's program was found to be ineffective because the provider did not deliver services to all of the students it enrolled. This state also indicated that it had not yet completed an evaluation of SES's effect on student academic achievement.



(OIG), Policy Program and Studies Service, and Faith-Based and Community Initiatives also contribute to these efforts (see fig. 2).

**Figure 2: U.S. Department of Education Offices Monitoring and Supporting SES**



Source: GAO analysis.

Note: This figure reflects the coordination of Education’s offices rather than the statutory reporting relationships.

Specifically, OII leads SES policy development and provides strategic direction, and its staff also primarily monitor SES policy issues through “desk monitoring,” which involves review of SES-related research and media reports. In addition to these activities, OII also conducts more intensive monitoring of specific SES implementation challenges when states, districts, and providers bring them to Education’s attention. Regarding other support for SES implementation, OII has provided SES

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implementation assistance in part through presentations at conferences and grants to external organizations. For example, OII funded the Supplemental Educational Services Quality Center (SESQC), which provided technical assistance to states and districts until its grant period ended in December 2005. OII is also responsible for coordinating the publication of the non-regulatory SES guidance. Since 2002, OII has coordinated four versions of this guidance, each updated to address ongoing challenges with SES implementation.

OESE, which oversees and supports NCLBA implementation, is involved in monitoring SES implementation through its overall monitoring of state compliance with Title I and NCLBA. To monitor Title I, OESE staff visit state departments of education and selected districts within each state to interview officials and review relevant documents. Following these visits, OESE issues reports to each state outlining any instances of Title I noncompliance, including those related to SES, and actions needed to comply with regulations. OESE also monitors SES through its oversight of the collection of state NCLBA data, including data on SES, in the annual Consolidated State Performance Report (CSPR). To support SES implementation, OESE funded the Comprehensive Centers Program through grants that established technical assistance centers across the country to help low-performing schools and districts close achievement gaps and meet the goals of NCLBA. Of these, the Center on Innovation and Improvement provides support to states and districts on SES and other Education programs.

Through its SES monitoring efforts, Education has found that implementation of the SES provisions has been uneven throughout the country. Consequently, in May 2006, the department issued a policy letter announcing plans to take significant enforcement actions, such as withholding federal funds, placing conditions on Title I grants, or entering into compliance agreements with states. Related to this, an Education official reported that the department placed conditions on California's Title I grant because of compliance issues with SES and school choice implementation. In addition, to gather more information that will allow the department to take future enforcement actions, the department revised its Title I monitoring protocols and added additional monitoring related to SES and school choice. Beginning in the spring of 2007, the department is conducting additional Title I monitoring visits to states and districts targeted at assessing SES and school choice implementation efforts. Seven states were selected for the targeted monitoring based on Education's previous monitoring findings and high percentages of schools in need of improvement. In addition to the seven selected states, beginning this year,

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all states that Education visits as part of its regular Title I monitoring cycle will receive additional SES- and school choice-specific monitoring. Specifically, the department plans to visit additional districts in each state and interview SES providers to obtain greater detail on SES and school choice implementation.

While Education's policy letter and monitoring actions reflect the department's concern that SES implementation has been uneven throughout the country, many states and districts reported needing clearer guidance or additional assistance with certain SES provisions to improve implementation. Specifically, 85 percent of states and an estimated 70 percent of districts needed additional assistance with methods for evaluating SES, and over 60 percent of both groups also needed assistance with developing data systems. Many districts also needed more information on provider quality and effectiveness. Although OESE and OIG monitoring results have also continually indicated that states and districts struggle with SES evaluation, at the time of our report, Education had not yet provided comprehensive assistance in this area, and during our site visits, officials mentioned that they have been relying on other states, organizations, or individuals for evaluation assistance.

In addition, several states commented through our survey that they also needed additional guidance on managing costs and fees, implementing SES in rural areas, and handling provider complaints. During three of our site visits, officials also expressed some concern about the lack of clarity in the SES guidance with regard to student eligibility requirements and how to craft a parental SES notification letter that is both complete and easy for parents to understand. Specifically, though Education's monitoring reports have found many states and districts to be non-compliant with the federal requirement that district SES parental notification letters include several specific elements,<sup>12</sup> Education's SES guidance provides a sample that does not clearly specify all of the key elements required by SES law and regulations. Furthermore, a few state and district officials commented that, when followed, the SES regulations yield a letter that is unreasonably long and complex.

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<sup>12</sup> OIG found all six of the states it visited during its audits of state SES implementation to be deficient with respect to parent notifications. In addition, in our analysis of the 40 OESE Title I state monitoring reports publicly issued as of June 2006, we found that OESE cited 9 of the states it had visited for SES noncompliance with respect to district parent notifications.

Many states and districts expressed interest in the flexibility offered through two pilot programs that Education implemented during 2005-2006. The department designed these pilots to increase the number of eligible students receiving SES and to generate additional information about the effect of SES on student academic achievement. For example, several state and district SES coordinators expressed interest in Education's pilot program that allowed two districts in needs improvement status to act as SES providers. As a condition of the pilot, these districts agreed to expand student access to SES and collect achievement data to determine SES program effectiveness. The other SES pilot allowed four districts in Virginia to offer SES instead of school choice in schools that have missed state performance goals for 2 years and are in their first year of needs improvement. During our site visits and through our surveys, many states and districts expressed interest in adjusting the order of the SES and school choice interventions (see table 5). In line with interest in increased flexibility with the order of these interventions, Education announced in May 2006 that it was expanding this pilot for 2006-2007.

**Table 5: State and District Opinion on the Ordering of School Choice and SES**

In percent		
Order of school choice and SES	States	District
SES should precede school choice	48	62
Both school choice and SES should be offered at the same time	27	15
School choice should precede SES	15	23

Source: GAO.

Note: 10 percent of states did not respond or were not sure. In addition, district percentages are estimates.

## Prior Recommendations

Our August report recommended that Education clarify guidance and provide additional assistance to states and districts to help them comply with the federal requirements for parental notification letters and ensure that letters are easy for parents to understand, collect and disseminate information on promising practices used by districts to attract providers for certain areas and groups, and collaborate with school officials to coordinate local SES implementation. In addition, we recommended that Education consider expanding its current SES pilot program allowing selected districts in need of improvement to serve as providers and clarify state authority to set parameters around service design and costs. Finally, we also recommended that Education require states to collect and submit information on the amount spent by districts to provide SES and the

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percentage of districts' Title I funds that this amount represents and provide states with technical assistance and additional guidance on how to evaluate the effect of SES on student academic achievement.

In written comments on the report, Education expressed appreciation for our recommendations, and the department has since made significant progress toward addressing some of them. Specifically, Education has taken a variety of steps that address our recommendations focused on increased dissemination of promising practices related to parental notification, attracting providers for certain areas and student groups, and improved local coordination. For example, between November 2006 and March 2007, Education staff conducted an outreach tour focused on school choice and SES during which they met with state and district officials, providers, and parents in 14 large school districts around the country. Education staff met with these groups in each district, and participants discussed issues including parental outreach, parental notification, serving special student populations, and local coordination. The department plans to disseminate information collected through the outreach tour by publishing a handbook that shares strategies on informing parents and implementing SES and school choice. In addition, officials indicated that they plan to convene a national meeting during the summer of 2007 to share the handbook with state and district SES and school choice coordinators and discuss effective implementation. In addition to the tour, Education directed the Center on Innovation and Improvement to focus on providing assistance related to parental outreach during school year 2006-2007. Consequently, in the fall of 2006, the center began providing examples of related materials, such as documents that states and districts have used to notify parents of services, through its Web site. The center also plans to provide assistance and guidance on parental outreach to four states that requested assistance starting before the end of the current school year and continuing into school year 2007-2008.

Education has also taken some actions that address our recommendations targeted at improving state and district use of SES funding to provide services to the maximum number of students. Specifically, the department extended and expanded its pilot program to allow four districts in need of improvement to serve as SES providers for the 2006-2007 school year. As we noted in our report, allowing districts to act as providers may ease student access to SES for rural districts that do not have providers located nearby and allow more students to participate in SES because district costs to provide services are sometimes lower than other providers' costs. While we suggested in our other recommendation that Education could clarify how states can set parameters around provider program design and

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costs by providing written guidance on these issues, according to department officials, Education has instead addressed state questions on these issues on a case-by-case basis.

Concerning our recommendations to improve federal and state monitoring of SES, Education officials reported that beginning with the 2006-2007 school year all states are required to submit information to the department on the amount of funds spent by districts to provide SES. The department has also taken action to provide states with technical assistance and guidance on how to evaluate the effect of SES on student academic achievement. Specifically, Education directed the Center on Innovation and Improvement to focus on SES evaluation assistance during school year 2006-2007. To that end, the center issued an updated version of the guidebook on SES evaluation in November 2006, and it plans to provide technical assistance before the end of the current school year to sixteen states that requested such assistance.

Mr. Chairman, this completes my prepared statement. I would be happy to respond to any questions you or other members of the subcommittee may have.

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## GAO Contacts

For further information regarding this testimony, please contact me at (202) 512-7215. Individuals making key contributions to this testimony include Bryon Gordon, Rachel Frisk, and David Perkins.

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# Related GAO Products

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*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.

*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: 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: 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.: December 10, 2004.

*No Child Left Behind Act: Improvements Needed in Education's Process for Tracking States' Implementation of Key Provisions.* [GAO-04-734](#). Washington, D.C.: September 30, 2004.

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

*Disadvantaged Students: Fiscal Oversight of Title I Could Be Improved.* [GAO-03-377](#). Washington, D.C.: February 28, 2003.

*Title I Funding: Poor Children Benefit Though Funding Per Poor Child Differs.* [GAO-02-242](#). Washington, D.C.: January 31, 2002.

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