

GAO

Testimony

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NO CHILD LEFT BEHIND ACT

Education Actions Needed to Improve Implementation and Evaluation of Supplemental Educational Services

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



Mr. Chairman and Members of the Committee:

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).¹ In school year 2005-2006, Title I of NCLBA—the most recent reauthorization of the Elementary and Secondary Education Act (ESEA)—provided \$12.7 billion in federal funds to nearly all school districts and approximately half of the 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 under the law. Specifically, states are responsible for reviewing provider applications to assess each provider's record of effectiveness and program design, approving providers to serve students in their states, and monitoring and evaluating SES providers and their services. Districts are responsible for notifying parents of their child's eligibility for SES and contracting with the state-approved providers that parents select for services. At the federal level, the U.S. Department of Education (Education) oversees SES implementation nationwide and provides guidance and technical assistance.

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

¹ 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).

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) to what extent states 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 service delivery, providers aligned their curriculum with district instruction primarily by hiring district teachers and communicating with the teachers of participating students in order to promote improved student academic achievement. However, 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. At the state level, while 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. However monitoring continues to be a challenge, and states also continue to struggle to develop meaningful evaluations of SES providers. At the time of our review, no state had yet to produce a report providing a conclusive assessment of SES providers' effect on student academic achievement. 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.

To help states and districts implement SES more effectively, our recent report recommended that Education collect and disseminate information on promising practices used by states and districts to attract more providers for certain areas and groups and involve school officials in SES implementation, and examples of sample parental notification letters that meet federal requirements and are easy for parents to understand. Further, to improve states' and districts' ability to provide services to the maximum number of students, 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. To improve federal and state monitoring of SES, we recommended that Education require states to collect and submit information on the amount and percent of Title I funds spent on SES by districts and provide states with technical assistance and additional guidance on how to evaluate the effect of SES on student academic achievement. In its

comments on the report, Education expressed appreciation for the report's recommendations and cited actions the department had already initiated or planned to take in addressing them.

Our review 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. 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.

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 I² 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, schools receiving federal Title I funds are required to implement specific interventions when they do not meet state AYP goals (see 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 had not met state goals set under ESEA before the enactment of NCLBA, some schools receiving Title I funds were first required to offer SES in 2002-2003, the first year of NCLBA implementation.

² In this report, 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: NCLBA Interventions for Schools Not Meeting Yearly Performance Goals over Time

Number of years school misses performance goals	School status in the next year	NCLBA interventions for Title I schools
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 ^a
Fourth year missed	Corrective Action ^b	Required to offer school choice and SES ^a
Fifth year missed	Planning for Restructuring ^c	Required to offer school choice and SES ^a
Sixth year missed	Implementation of Restructuring	Required to offer school choice and SES

Source: GAO analysis of NCLBA.

Note: N/A = not applicable.

^aStudents that 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.

^bCorrective 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.

^cRestructuring 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 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.³

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).

Table 2: SES Stakeholder Roles and Responsibilities

Stakeholder	Roles and responsibilities
State	<ul style="list-style-type: none"> Set criteria and standards for approving providers Identify, approve, and maintain public list of providers Ensure that the list of approved providers includes organizations that are able to serve students with disabilities and limited English proficiency Monitor and evaluate the effectiveness of provider services Monitor district SES implementation Develop and use policy criteria for withdrawing providers from state-approved list, including if <ul style="list-style-type: none"> provider fails for 2 consecutive years to increase student proficiency relative to state academic content and achievement standards provider fails to adhere to applicable health, safety, and civil rights requirements

³ 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 5-17 who are from families below the poverty level, as determined by the most recent Census Bureau estimates from the Department of Commerce.

Stakeholder	Roles and responsibilities
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.

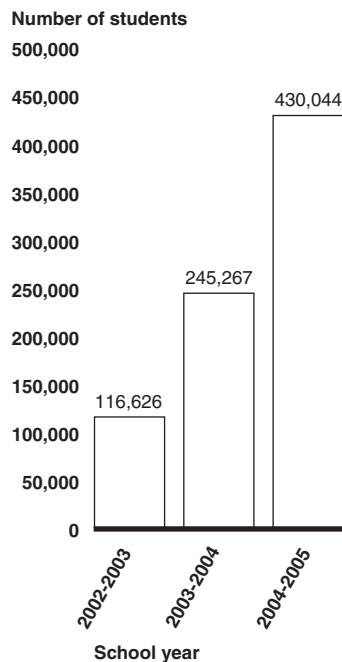
SES Participation Has Increased As Districts Have Taken Steps to Improve Access, but Challenges Remain

SES participation increased between 2003-2004 and 2004-2005, as districts have taken multiple actions to encourage participation, such as offering services on or near the school campus or at various times. Most students receiving services were among the lower achieving students in school. Despite districts' efforts, challenges to increasing participation remain, such as notifying parents in a timely and effective manner and ensuring there are providers to serve certain areas and students.

The SES Participation Rate Increased from 12 to 19 Percent between 2003-2004 and 2004-2005, and Most Participants Were Low Achieving

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 (see fig. 1).⁴ This increase may be due in part to the increase in the number of schools required to offer SES over that time period.

Figure 1: Number of Students Receiving SES Nationwide (2002-2003 to 2004-2005)



Source: Education's NCLBA Consolidated State Performance Reports and GAO state survey.

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. 2).

⁴ 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 figure 1. 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.

Further, some districts required to offer SES have no students receiving services. Specifically, we estimate that no students received services in about 20 percent of the approximately 1,000 districts required to offer SES in 2004-2005. A majority of these districts were rural or had a total enrollment of fewer than 2,500 students.

Figure 2: School Districts Required to Offer SES in 2004-2005



Source: GAO.

Nationwide, we estimate that districts required to offer SES spent the equivalent of 5 percent of their total Title I funds for SES in 2004-2005. Districts set aside an amount equal to 20 percent of their Title I funds for SES and choice-related transportation at the beginning of the school year, and the proportion of the set-aside spent on SES varied by district. While 38 percent of districts spent no more

than one-fifth of their set-aside to provide SES in 2004-2005,⁵ others reported that the full set-aside amount was not sufficient to fund SES for all eligible students whose parents requested services in 2004-2005. Similarly, according to Chicago, Ill., district officials, the district budgeted the entire 20 percent Title I set-aside to fund SES in 2005-2006, and because parents' demand for services significantly exceeded the amount of funding available, the district also allocated \$5 million in local funds to provide SES.

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. Specifically, an estimated 91 percent of the districts that reviewed the academic records of students receiving SES classified most or all of the students receiving SES as academically low achieving.⁶ 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.⁷ In some districts, the majority of SES recipients were 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.

We estimate that about 2,800 providers delivered services to students nationwide in 2004-2005, and more providers were available to deliver services in the districts with the largest student enrollments.⁸ The number of providers delivering services in the 21 districts with more than 100,000 total enrolled students ranged from 4 to 45, and averaged 15 providers per district in 2004-2005.

⁵ This district estimate has 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.

⁶ We did not review the academic achievement records of students receiving SES or independently verify this information obtained through the district survey.

⁷ 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.

⁸ In addition to our analysis, the Center on Education Policy reported that as of August 2005, more than half of approved SES providers were private, for-profit entities. 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), for more information.

Districts Used Several Methods to Notify Parents and Offered Services on School Campuses and at Various Times to Increase Participation

Districts have taken multiple actions to encourage participation, as shown in table 3. 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 with parents, and encouraged school staff to talk with parents about SES. Some districts collaborated with providers to notify parents. For example, during our site visit, Illinois state officials described a provider and district sharing administrative resources to increase participation, which involved the provider printing promotional materials and the district addressing and mailing the materials to parents. In addition, we estimate that over 70 percent of districts lengthened the period of time for parents to turn in SES applications, held informational events for parents to learn about providers, and provided written information to parents in languages other than English. For example, during our site visit to Woodburn, Ore., district officials reported extending the time parents had to sign up their children for SES and hosting an event where providers presented their programs to parents in English and Spanish. Further, Newark, N.J., district officials told us during our site visit that the district provided transportation for parents to attend informational events and worked with a local community organization to increase awareness of SES, a method we estimate was also used by about 40 percent of all districts. Specifically, Newark district officials collaborated with a local organization to inform parents and students living in public housing and homeless shelters about SES. Also to encourage participation, an estimated 90 percent of districts offered services at locations easily accessible to students, such as on or near the school campus, and almost 80 percent of districts offered services at a variety of times, such as before and after school or on weekends.

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

Action taken during the 2005-2006 school year	Estimated percentage of districts
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.

Notifying Parents in a Timely and Effective Manner and Attracting More Providers for Certain Areas and Students Remain Challenges

Despite some districts' 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 schools were identified for improvement.⁹ Specifically, about half of districts that did not notify parents before the beginning of the 2005-2006 school year did not receive notification from the state of the schools identified for improvement by that time.¹⁰

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 address with districts. In addition, some providers we interviewed indicated that parental notification letters do not always effectively encourage SES participation. For example, some of the providers we interviewed said some districts use confusing and poorly written letters to inform

⁹ 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), for more information.

¹⁰ This district estimate has 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.

parents of SES or send letters to parents of eligible children but conduct no further outreach to encourage participation in SES.

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.¹¹ A few rural districts further explained that it has been difficult to attract providers to their area because there are few students to serve or providers have trouble finding staff to serve as tutors. 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.

Encouraging student attendance has also been a challenge, in part because students may participate in other after-school activities, such as sports or work. For example, about one-quarter of districts reported that both competition from other afterschool programs and the availability of services that are engaging to students were challenges to implementing SES. To help address this problem, 19 of the 22 providers we interviewed used incentives to encourage student attendance, such as school supplies and gift certificates.

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

To promote improved student academic achievement, providers took steps to gather information on district curriculum and student needs from teachers and parents. 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 frequency

¹¹ 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), for more details.

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 communication challenges, most districts and providers reported that they had positive working relationships. Specifically, an estimated 90 percent of districts indicated that their working relationships with providers during 2004-2005 were good, very good, or excellent. Further, 90 percent of districts reported that none or few of the providers they worked with used incentives prohibited by state or district SES policy, and 89 percent of districts reported that none or few of the providers they worked with billed the district for services not performed. Many of the providers we interviewed during our site visits also reported having positive working relationships with district officials.

While providers have taken 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, such as requiring substantial documentation to be submitted with invoices, limiting the marketing they could do to parents and students, or restricting the use of school facilities to deliver services. 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. 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.¹²

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

¹² 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), for more information.

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.

States are Increasing SES Monitoring though it Remains A Challenge, and Many Continue to Struggle with Developing Meaningful Evaluations

While state 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. In addition, 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). 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 your 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

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
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.

While states are beginning to increase monitoring of SES implementation, many states 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 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 a few states had drafted or completed an evaluation report addressing individual SES provider's effects on student academic achievement. Further, we found that no state had produced a report that provided a conclusive assessment of this effect. 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

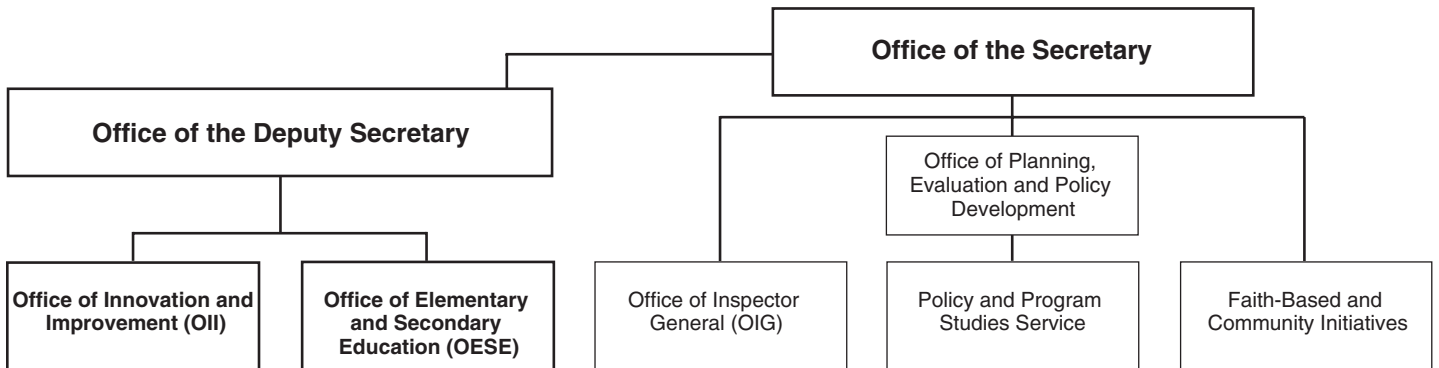
student academic achievement.¹³ Rather, although over 40 percent of states reported that they had withdrawn approval from some providers, they most frequently reported withdrawing provider approval because the provider was a school or district that had entered needs improvement status, the provider asked to be removed from the state-approved provider list, or because of provider financial impropriety.

Several Education Offices Monitor and Support 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 (OIG), Policy Program and Studies Service, and Faith-Based and Community Initiatives also contribute to these efforts (see fig. 3).

¹³ 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.

Figure 3: U.S. Department of Education Offices Monitoring and Supporting SES



Monitoring

- Performs “desk monitoring” of SES information
- Performs ad-hoc monitoring of SES issues as they arise

Monitoring

- Performs on-site visits to states and districts as part of Title I monitoring
- Oversees collection and analysis of Consolidated State Performance Reports, including SES data

Monitoring

- Performed six state SES audits during 2003-2004 and 2004-2005
- Performed audits of SES implementation and providers in five CA districts during 2005

Support

- Clarifies SES policy and provides technical assistance, in part through presentations
- Coordinates the publication of non-regulatory SES guidance
- Issued grant for SES technical assistance provided by SESQC
- Issued grants to increase minority participation in SES
- Issued grants to increase SES access in rural areas

Support

- Clarifies SES policy and provides technical assistance, in part through presentations
- Issued grant to fund Comprehensive Center on Innovation and Improvement that provides technical assistance for Education programs, including SES

Support

- Issued several reports focused on Title I, including SES (e.g. National Assessment of Title I: Interim Report)
- Produced a nine-district case study report, Early Implementation of SES under the NCLBA, with a follow-up report for 2003-2004

Support

- Provides technical assistance to faith- and community-based organizations interested in becoming SES providers

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 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. 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. The latest and most comprehensive version of non-regulatory SES guidance was published in June 2005, though additional information was provided to states in May 2006 concerning private school participation in providing SES and the definition of a district-affiliated provider.

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 the visit, OESE issues a report to the state outlining any instances of Title I non-compliance, including those related to SES, and actions needed to comply with regulations. Since the monitoring cycle began in 2003-2004, OESE has visited and publicly issued reports to 48 states, D.C., and the Bureau of Indian Affairs.¹⁴ OESE also monitors SES through its oversight of the collection of state NCLBA data, including data on SES, through the annual Consolidated State Performance Report (CSPR). For the CSPR, each state is required to report the number of schools with students receiving SES, the number of students eligible for services, and the number that received services.¹⁵ 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.

Given the technical assistance and support Education has already provided to states and districts for implementation of SES and school choice, and the department's view that implementation of these provisions has been uneven throughout the country, in May 2006, Education issued a policy letter announcing the department's plans to take significant enforcement action. Specifically, Education plans to use the data collected through its monitoring and evaluation efforts to take enforcement actions such as placing conditions on state

¹⁴ The federal government has direct responsibility for the Bureau of Indian Affairs (BIA) school system, and BIA schools depend almost entirely on federal funds. Similar to public schools, BIA schools are eligible to receive Title I funds.

¹⁵ States have only reported the number of students eligible for SES since the 2003-2004 CSPR. Also, starting with the 2003-2004 CSPR, Education gave states the option to report the number of students who applied for SES.

Title I grants, withholding federal funds, or entering into compliance agreements. In the letter, the department noted that its various monitoring activities have identified several areas of noncompliance with SES requirements. For example, because some states failed to adequately monitor their districts for compliance, some districts failed to include the required key components in parental notification letters or budget sufficient funding for services.

While three-fourths of states reported that the most recent version of Education's SES non-regulatory guidance has been very or extremely useful, many states and districts reported needing clearer guidance or additional assistance with certain SES provisions. Specifically, 85 percent of states and an estimated 70 percent of districts needed additional assistance with methods for evaluating SES, and over 60 percent 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, Education has yet to provide 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,¹⁶ 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, which may be difficult for parents to understand.

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

¹⁶ 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 non-compliance with respect to district parent notifications.

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 in exchange for their expansion of student access to SES providers and collection of achievement data to determine SES program effectiveness. Through both our surveys and site visits, officials suggested that allowing districts to act as providers may ease student access to SES for rural districts that do not have providers located nearby, allow more students to participate in SES because district costs to provide services are sometimes lower than other providers’ costs, and enable districts to continue their existing tutoring programs that they feel are effective and meet the same goals as SES.

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. Specifically, half of states and over 60 percent of districts suggested that SES should be made available before school choice (see table 5). In line with interest in increased flexibility with these interventions, in May 2006, Education announced that due to the positive results in Virginia districts under the pilot, the department would extend and expand this pilot in 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 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.

Education expressed appreciation for our recommendations and cited actions the department had taken or planned to take to address them. Specifically, Education outlined several projects under development that may provide more assistance to states related to parental notification, attracting providers for certain areas and groups, and involving schools in SES implementation. Further, after commenting on our report, Education expanded the pilot allowing districts in need of improvement to apply to become SES providers. The department also stated that it will consider further clarifying state authority to set program parameters in the next update of the SES guidance. Regarding federal and state monitoring of SES, Education said it will propose that districts report their SES expenditures to the department and provide more SES evaluation assistance to states through an updated issue brief as well as technical assistance provided by the Comprehensive Center on Innovation and Improvement and at a conference this fall.

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

GAO Contacts

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

Related GAO Products

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.

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