

December 2004

NO CHILD LEFT BEHIND ACT

Education Needs to Provide Additional Technical Assistance and Conduct Implementation Studies for School Choice Provision



G A O

Accountability * Integrity * Reliability

GAO
Accountability • Integrity • Reliability

Highlights

Highlights of [GAO-05-7](#), a report to the Secretary of Education

Why GAO Did This Study

The school choice provision of the No Child Left Behind Act (NCLBA) of 2001 applies to schools that receive Title I funds and that have not met state performance goals for 2 consecutive years, including goals set before the enactment of NCLBA. Students in such schools must be offered the choice to transfer to another school in the district. GAO undertook this review to provide the Congress a report on the first 2 years of the implementation of NCLBA school choice. GAO reviewed (1) the number of Title I schools and students that have been affected nationally, (2) the experiences of selected school districts in implementing choice, and (3) the guidance and technical assistance that Education provided.

GAO collected school performance data from all states, interviewed Education officials, and visited 8 school districts in California, Illinois, Ohio, Mississippi, Pennsylvania, Tennessee, and Washington.

What GAO Recommends

GAO recommends that Education monitor issues and promote promising practices related to limited classroom capacity, help states develop strategies for better informing parents about school choice, and include in its planned NCLBA implementation study, an examination of the academic outcomes and retention rates of transferring students. Education generally agreed with GAO's recommendations.

www.gao.gov/cgi-bin/getrpt?GAO-05-7.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Marnie Shaul at (202) 512-7215 or shaulm@gao.gov.

NO CHILD LEFT BEHIND ACT

Education Needs to Provide Additional Technical Assistance and Conduct Implementation Studies for School Choice Provision

What GAO Found

About 1 in 10 of the nation's 50,000 Title I schools were identified for school choice in each of the first 2 years since enactment of the No Child Left Behind Act (NCLBA) of 2001. The proportion of schools identified for choice varied by state. About 1 percent of eligible children, or 31,000 students, transferred in school year 2003-2004. However, little is known about the students who did and did not transfer or factors affecting parents' transfer decisions. Education has launched a study that will yield some information on these topics.

Percentages of Title I Schools Identified for School Choice in 2003-2004 by State



Source: GAO analysis of state data.

Officials in most of the 8 districts GAO visited said they welcomed NCLBA's emphasis on improved performance, but had difficulties providing choice because of tight timeframes and insufficient classroom capacity. Final state determinations of the schools that met state yearly performance goals were not generally available before the school year started, so offers of transfers were based on preliminary determinations. District officials expressed concern that parents had inadequate time and information to make an informed decision. Parents were offered at least 2 possible schools as transfer options, but many of these schools had not met state performance goals in the most recent year. Because of limited classroom capacity in 4 of the districts, some students did not receive the opportunity to transfer. For students who transferred, transportation was provided on school buses, public transit or personal cars, and most districts spent less than 7 percent of the pool of funds that NCLBA required be set aside for that purpose in school year 2003-2004.

Education issued extensive guidance on choice. However, the complexity of providing school choice raises a number of issues that have not been addressed in guidance available through October 2004, such as how to handle cases where schools receiving transfers later are identified for choice and how to expand capacity in the short-term within budgetary constraints.

Contents

Letter		1
	Results in Brief	2
	Background	4
	About 1 in 10 Schools Identified for Choice in the First 2 Years of NCLBA, and 1 Percent of Eligible Students Transferred in 2003-2004	8
	Implementation of Choice Was Challenging in Selected Districts	18
	Education Issued Extensive Guidance on Choice, but Questions Remain as Implementation Proceeds	28
	Conclusions	34
	Recommendations for Executive Action	35
	Agency Comments and Our Evaluation	36
Appendix I	Scope and Methodology	38
Appendix II	NCLBA Interventions for Schools Not Meeting Yearly Performance Goals Over Time	42
Appendix III	Number of Title I Schools in Each State Identified for Choice in School Year 2002-2003	43
Appendix IV	Number of Title I Schools in Each State Identified for Choice in School Year 2003-2004	45
Appendix V	Number of Students in Each State Transferring under Choice Option in First 2 Years of NCLBA	47
Appendix VI	Poverty and Minority Rates of Schools Required to Offer Choice and Schools Offered as Transfer Options	49

Appendix VII	Comments from the Department of Education	51
Appendix VIII	GAO Contacts and Staff Acknowledgments	54
	GAO Contacts	54
	Staff Acknowledgments	54
Related GAO Products		55

Tables

Table 1: Students Eligible but Not Transferring from Elementary and Middle Schools Identified for Choice Compared with Students Transferring in 2003-2004 in One District Visited	18
Table 2: Milestone Dates for Implementation of Choice for School Year 2003-2004 in Six Districts We Visited	20
Table 3: Transfer Options Offered Parents of Elementary School Students in Seven Districts We Visited	23
Table 4: Title I Status and Performance of Schools Offered as Transfer Options for 2003-2004, by District	24
Table 5: Poverty and Minority Rates of Schools Required to Offer Choice and Schools Offered as Transfer Options in Fresno	25
Table 6: Poverty and Minority Rates of Schools Required to Offer Choice and Schools Offered as Transfer Options in Akron	25
Table 7: Number of Students Unable to Transfer Due to Capacity Limitations in 2003-2004	26
Table 8: Transportation Allocations and Projected Expenses for School Year 2003-2004, by District	28
Table 9: Dates, Type, and Title of Guidance or Technical Assistance Provided by Education on School Choice under NCLBA	30
Table 10: Characteristics for 2003-2004 of Eight Districts We Visited	40

Figures

Figure 1: Number of Title I Schools and Number Identified for School Choice in 50 States, the District of Columbia, and Puerto Rico in School Years 2002-2003 and 2003-2004	10
---	----

Figure 2: Demographics of Students Enrolled at Title I Schools Identified and Not Identified for Choice in School Year 2003-2004	11
Figure 3: Proportion of Schools Identified for Choice at Various Grade Spans Compared with All Title I Schools in School Year 2003-2004	12
Figure 4: Percentage of Title I Schools Identified for School Choice, by State, in School Year 2003-2004	13
Figure 5: Number of Title I Students Eligible for Choice and Number That Transferred in 42 States, the District of Columbia, and Puerto Rico in School Year 2003-2004	15
Figure 6: Timeline for Tacoma Public Schools, 2003	21

Abbreviations

NCLBA	No Child Left Behind Act
NCES	National Center for Education Statistics

This is a work of the U.S. government and is not subject to copyright protection in the United States. It may be reproduced and distributed in its entirety without further permission from GAO. However, because this work may contain copyrighted images or other material, permission from the copyright holder may be necessary if you wish to reproduce this material separately.



United States Government Accountability Office
Washington, DC 20548

December 10, 2004

The Honorable Rod Paige
The Secretary of Education

Dear Mr. Secretary:

Increased school choice is one of the cornerstones of The No Child Left Behind Act (NCLBA) of 2001. Signed into law in January 2002, this major legislation is designed to improve the academic achievement of all students by requiring states to set annual performance goals for schools that would result in all students being proficient in reading and math by school year 2013-2014. Title I of the act provides financial support to improve the education of low-income students in high-poverty schools. In 2004, about 50,000 public schools—over half of all public schools nationwide—received a share of \$12 billion in Title I funds. While all public schools are expected to meet state performance goals, some of the law's provisions apply only to Title I schools, for instance, the school choice requirement. Title I schools are identified for choice when performance goals, including goals set before the enactment of NCLBA, are not met for 2 or more years in a row. In general, all students enrolled in such schools must be offered the option of transferring to other schools in the district that have not been identified for choice and transportation must be provided. Transfer requests cannot be denied for lack of classroom capacity, according to federal regulations. While states set the performance goals and schools are judged on the performance of their students, the nation's 15,000 school districts are held responsible for implementing the school choice requirements of NCLBA, starting in school year 2002-2003.

The school choice provision of NCLBA is intended to provide a unique opportunity for students in schools not meeting state goals to attend schools that have had greater success meeting these goals. However, little is known about how states and districts are implementing the provision and how many schools and students are participating. We undertook this review to provide the Congress an early report on the first 2 years of NCLBA implementation, with a more detailed look at the experiences of 8 school districts. Specifically, we address:

-
1. To what extent have Title I schools been affected by the school choice provision of NCLBA in terms of the number of schools identified for choice and the number of students transferring?
 2. What were the experiences of selected school districts in implementing the choice provision?
 3. What guidance and technical assistance did the Department of Education provide states and districts as they implemented public school choice?

To determine the numbers of schools and students affected by choice nationwide during the first 2 years of NCLBA, we compiled and analyzed data from a variety of sources, including our surveys of state education agencies and school districts, Department of Education (Education) reports of state agencies' data, and other Education databases. We assessed the reliability of these data and determined that they were adequate for our purposes. To obtain information on district implementation, we visited 8 districts that had schools identified for choice and interviewed district and school officials about their experiences. Located in seven states—California, Illinois, Ohio, Mississippi, Pennsylvania, Tennessee, and Washington—these districts were selected to achieve variation in geographic, demographic, and program characteristics. All but one district we visited had students transferring under choice. One rural district—North Panola, Mississippi—offered supplemental educational services instead of transfers under choice, as permitted, because the middle school identified for choice was the only middle school in the district. To ascertain the role of Education in providing guidance and technical assistance, we reviewed regulations and other forms of guidance available from Education and interviewed officials at the federal, state, and district levels, as well as representatives of national educational organizations and other experts in the area. See appendix I for a more detailed description of our methodology. We conducted our work from October 2003 through November 2004 in accordance with generally accepted government auditing standards.

Results in Brief

Since passage of NCLBA, about 1 in 10 schools receiving federal funds for low-income students under Title I—approximately 1 in 20 public schools nationwide—has been identified for school choice. In school year 2002-2003, the first year under NCLBA, about 5,300 schools attended by 3 million children were identified for choice; in the following school year, this number rose to about 6,200 schools. These schools had larger

proportions of minority and low-income students enrolled than Title I schools that were not identified for choice. Across states, the percentage of Title I schools identified for choice varied considerably. A number of factors may contribute to this variation, including differences in the diversity and size of school populations, as well as differences in states' approaches to defining their yearly performance goals. Overall, about 19,000 students transferred under the NCLBA choice option in the first year and an additional 31,000 in the second year, representing about 1 percent of those eligible. While little is known about the factors that affect transfer decisions or about the students involved, Education has contracted for a study that will examine the reasons that parents give for their transfer decisions and identify students' demographic characteristics. Part of this study, still under design, is intended to examine achievement outcomes of students who transfer. Our analysis of data from one district showed that lower percentages of transferring students were minorities and lower percentages were from low-income families than was the case for the eligible students who did not transfer.

Officials at most of the 8 districts we visited said that they welcomed NCLBA's increased emphasis on improved performance but had difficulties providing school choice due to tight timeframes and insufficient classroom capacity. One district received final data on schools' performance about a month before school started in the fall; the other seven districts received final data weeks or even several months after the school year had begun. In order to notify parents of their options before the start of the school year as required by law, most districts relied on preliminary data to make school status determinations, putting the district at risk of misidentifying schools for choice and misinforming parents about their transfer options. District officials expressed concerns that parents may not always fully understand their options or have adequate time or information to make a fully informed decision. The total number of schools offered as transfer options to any one parent ranged from 2 to over 30, depending on the district, but many schools offered were similar to the students' current schools. Limitations in available classroom capacity in 4 districts resulted in some eligible students not having an opportunity to transfer. District officials provided various explanations for why this occurred, including lack of feasible alternatives to increase capacity. Districts employed a variety of strategies to provide transportation to transferring students, including school buses, subsidized passes on public transit, and stipends to parents, and most districts we visited spent less than 7 percent of the pool of funds that NCLBA required to be set aside for transportation and supplemental services costs.

Education issued guidance and final regulations on school choice in December 2002, after the start of the first school year under NCLBA. Most districts implemented school choice based on the preliminary guidance contained in letters they received in June 2002, but some issues remained unclear. Additional assistance was provided subsequently in the form of policy letters, training tools, and presentations at conferences. Education issued updated guidance in February 2004, after the start of the second school year under NCLBA, and followed with a handbook on promising practices in the implementation of school choice. While district officials we visited generally had access to Education's guidance, questions concerning the implementation of school choice remained, for example, how to offer choice when physical capacity is limited. Other questions involved issues that may arise as NCLBA implementation progresses, for instance, districts' responsibilities if a school to which students have transferred subsequently does not meet state goals and is itself required to offer choice.

To help state and district officials in implementing choice, we are recommending that Education monitor issues and promote promising practices related to limited physical capacity and assist in developing strategies to better inform parents about their transfer options. In addition, we are recommending that Education undertake a rigorous study that will provide more insight on the effects of school choice. In its comments on a draft of this report, Education agreed with our recommendations on capacity and on parental information. Education also agreed to consider including an examination of academic outcomes and retention rates of transferring students in its planned NCLBA implementation study. Education's comments appear in appendix VII.

Background

The Department of Education is responsible for overseeing state implementation of NCLBA, which amended and reauthorized the Elementary and Secondary Education Act. Title I of this act authorizes funds to states for local school districts with high concentrations of children from low-income families to improve the academic achievement of students failing or at risk of failing to meet state standards. Title I is the single largest federal program supporting education in kindergarten through 12th grade,¹ supplying over \$12 billion in federal funds in 2004.

¹In this report, we refer to Title I, Part A of the Elementary and Secondary Education Act 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.

These funds are designed to supplement the instructional services and support that districts and schools provide. Title I and other federal funding represent about 8 percent of total spending on elementary and secondary public education, with the remaining 92 percent provided primarily by states and localities. Title I funds are distributed by formula to state education agencies, which retain a share but pass through most of the funds to school districts.² Districts with at least a minimum number and percentage of low-income students receive a share of Title I funds. The districts are required to distribute Title I funds first to schools with high poverty rates—over 75 percent—and then to eligible schools in rank order of poverty either districtwide or within grade spans. Because school enrollment numbers and demographics may vary from one year to the next and because districts have some discretion in how many and which schools receive Title I funds, the status of schools as Title I or not Title I can vary from one year to the next. Approximately 25 million students were enrolled in schools eligible for Title I funds in school year 2002-2003 out of a total of about 49 million students in all schools nationwide, according to Education.³

Accountability for Results in All Public Schools under NCLBA and Prior Law

Stronger accountability for educational results is one of several education reform principles embodied in NCLBA and it builds on requirements in place under prior law. Prior to NCLBA, states were expected to have accountability systems that included standards for what students should learn and tests every year in certain grade levels to measure their knowledge of reading and mathematics.⁴ Each year, increasing percentages of students were expected to demonstrate their proficiency on these tests, and schools were judged on their ability to make adequate yearly progress in educating students to the state's standards—referred to in this report as meeting their yearly performance goals. Title I schools that did not meet their goals for two consecutive years were to be designated for improvement, provided technical assistance, and required

²State agencies may retain 1 percent for administration with the smallest states permitted to retain a slightly higher amount, and, starting in school year 2004-2005, must reserve 4 percent for school improvement activities. In the 2 earlier years, state agencies were required to set aside 2 percent for school improvement.

³Education's National Center for Education Statistics maintains information on schools "eligible" for Title I funds, based on the data used in the formula for distribution of funds. Given districts' discretion, however, some eligible schools may not actually receive funds.

⁴In this report, when we refer to states, we are including the jurisdictions of the District of Columbia and Puerto Rico.

to implement improvement plans. States were at various stages of implementation when NCLBA was enacted, so some states had been identifying schools for improvement for several years while others were just beginning the process.

Enactment of NCLBA strengthened accountability requirements by specifying timetables for school improvement and by holding all public schools, whether or not they receive Title I funds, accountable for the academic performance of various subgroups of students. For example, schools must reach yearly performance goals set by states that will result in 100 percent of students meeting state proficiency standards by school year 2013-2014.⁵ In addition to meeting the state's performance goals in general, schools are responsible for meeting those goals for specified subgroups of students who (1) are economically disadvantaged, (2) represent major racial and ethnic minorities, (3) have disabilities, or (4) are limited in English proficiency. If any subgroup does not meet the target, the school is identified as not having made its yearly performance goal.⁶

While NCLBA requires that all 94,000 public schools in the nation be held accountable for their performance, it requires specific actions or corrective interventions only for Title I schools that repeatedly miss their yearly performance goals.⁷ Two kinds of immediate interventions are required for Title I schools that have not met their performance goals for two consecutive years. On the one hand, plans are set in motion to improve the school's performance. At the same time, students must be given the opportunity to transfer to other schools under the school choice option. Depending on how often schools continue to miss their goals, other required actions range from offering students supplemental

⁵For more information on state accountability systems, 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).

⁶The school can meet the state performance goal under the "safe harbor" provision even when a student subgroup does not otherwise meet the goal. To do so, the school must reduce the percentage of students in the subgroup who are not proficient by at least 10 percent and that subgroup must also show progress on another academic indicator that the state uses to determine performance. For example, if a subgroup does not make the state's goal for the percentage of students proficient in reading, but the percentage in that subgroup who are not proficient declines by 10 percent and the graduation rate for that subgroup improves, the school could make its performance goal for that year.

⁷States may, at their discretion, apply these interventions to other schools as well.

educational services, such as after-school tutoring, to completely restructuring schools. See appendix II for further details on the specific actions required in each year.

School Choice under NCLBA

The first year that Title I schools do not meet performance goals, no specific actions are required under NCLBA. However, if the goal is missed the next year, districts generally must offer parents of students attending these schools the choice to transfer their child to another school.⁸ The district must provide transportation to the new school, within limits, and continue to pay for transportation until the school from which the student transferred is no longer identified for choice.⁹ Schools are no longer identified for choice when they have met their yearly performance goals for at least 2 consecutive years.

Districts are required by federal regulations to offer parents at least two schools from which to choose, if available, and these schools may be any public school that is not itself currently identified for choice. Thus, under NCLBA offered schools could include Title I schools that have missed their yearly performance goals for a single year or any school that does not receive Title I funds, regardless of its performance. However, states could further limit the schools offered as transfer options, for example, by prohibiting transfers to non-Title I schools that have not met their yearly performance goals. Under circumstances where no viable transfer options exist—as in districts with only one school serving particular grade levels or where all schools in the district have repeatedly missed their performance goals—districts are required, to the extent practicable, to make arrangements with other districts to accept their transfer students.¹⁰

NCLBA requires that districts notify parents of the choice option by the first day of the school year immediately following the test administration

⁸NCLBA states that the opportunity to transfer must be offered unless such transfers are prohibited by state law.

⁹The student may remain in the new school until he or she completes the highest grade level in the new school, but the district is no longer required to pay for transportation when the school from which the student transferred is no longer identified for choice.

¹⁰In addition to making such arrangements for choice, districts have the option of offering supplemental educational services to students attending schools that have missed their yearly performance goals for two consecutive years. If schools miss their yearly performance goals for three or more years, districts are required to provide supplemental educational services as well as choice.

that resulted in the school being identified for choice. For example, if tests given in spring 2003 resulted in the school being identified for choice, then the option had to be offered parents by the first day of school of the 2003-2004 school year. Notices to parents must be in an understandable and uniform format and, to the extent practicable, in a language that parents can understand. These notices must explain why the school was identified for choice and how it compares with others in the district and state. In addition, federal regulations require that the notice include information on the academic achievement of the schools offered as transfer options.

Districts are not required to give parents their first choice among the transfer options provided, but may not deny transfer requests based on lack of physical capacity, such as lack of space within a building or classroom, according to federal regulations. When deciding which schools to offer as transfer options, districts can consider the amount of available capacity, but they must offer options for all students enrolled in schools identified for choice. When reviewing transfer applications, making school assignments, and arranging for transportation, districts are required to give priority to the lowest-achieving low-income students.

About 1 in 10 Schools Identified for Choice in the First 2 Years of NCLBA, and 1 Percent of Eligible Students Transferred in 2003-2004

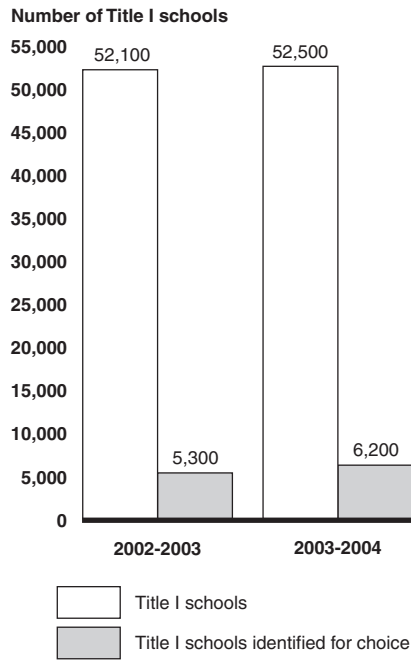
In each of the first 2 school years following enactment of NCLBA, from 10 to 12 percent of schools that received federal funds under Title I were identified for school choice. Several million students were enrolled in the schools identified for choice and were thus eligible to transfer. About 31,000 students, representing 1 percent of those eligible, transferred in the second year, school year 2003-2004. Although Education has recently begun to collect information on the number of transferring students, little is known about their demographic or academic characteristics. Our analysis of data from one district showed that proportionately fewer minority and low-income students transferred, compared with students in the same schools who did not transfer.

**From 10 to 12 Percent of
Public Schools Nationwide
That Received Title I
Funds Were Identified for
Choice in Each of the First
2 Years of NCLBA**

In each of the first 2 school years of NCLBA, about 1 in 10 Title I schools—about 1 in 20 public schools nationwide—was identified for school choice. About 5,300 schools¹¹ attended by 3 million children, were identified for choice in the first year of NCLBA. As shown in figure 1, the total number of schools identified for choice increased to about 6,200 in year two. Because schools must meet their performance goals for 2 consecutive years before they are no longer identified for choice, many of the same schools may have been included in the total number for both the first and second years.

¹¹The 5,300 schools shown for school year 2002-2003 are derived from state data reported in 2004. Although Education released a list in July 2002 estimating that there were over 8,600 such schools for school year 2002-2003, many states later revised these numbers. For example, Education estimated that 760 Ohio schools were identified for choice in 2002-2003, but Ohio reported that only 161 schools were identified for choice in that year.

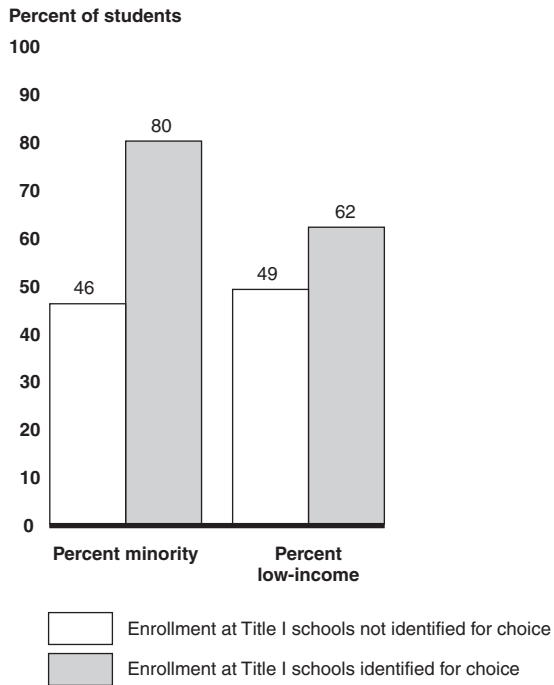
Figure 1: Number of Title I Schools and Number Identified for School Choice in 50 States, the District of Columbia, and Puerto Rico in School Years 2002-2003 and 2003-2004



Source: GAO analysis of State data.

As figure 2 shows, Title I schools identified for choice enrolled larger proportions of minority students and students from low-income families than other Title I schools.

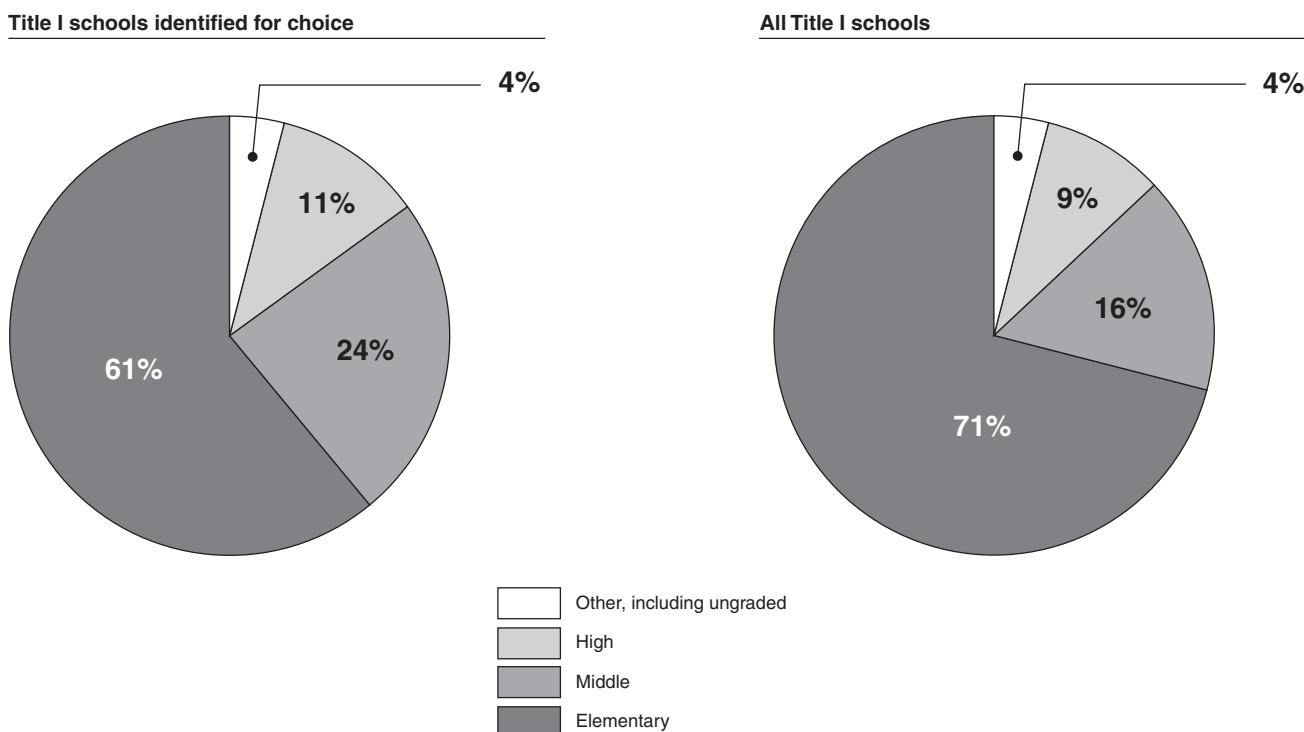
Figure 2: Demographics of Students Enrolled at Title I Schools Identified and Not Identified for Choice in School Year 2003-2004



Source: GAO analysis of data from states and the National Center for Education Statistics.

About 60 percent of all schools identified for choice were elementary schools. However, this proportion is smaller than might be expected, given that 71 percent of all Title I schools are elementary schools. As figure 3 shows, proportionately more middle and high schools were identified for choice.

Figure 3: Proportion of Schools Identified for Choice at Various Grade Spans Compared with All Title I Schools in School Year 2003-2004



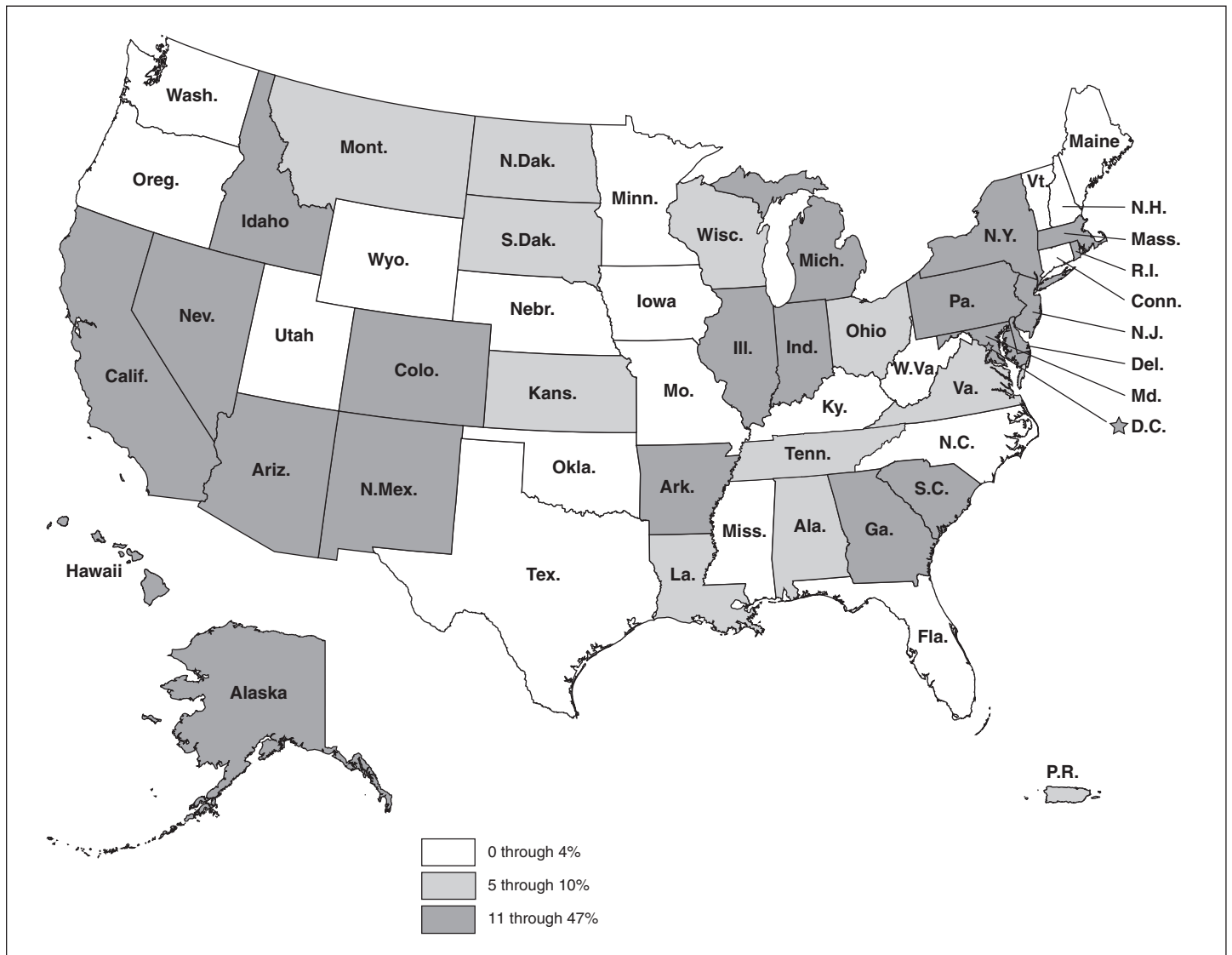
Source: GAO analysis of data from states and the National Center for Education Statistics.

Most schools identified for choice in school year 2003-2004 were located in urban and suburban areas. Although 15 percent of all Title I schools were located in rural areas, only 11 percent of the Title I schools identified for choice were in rural areas.

Figure 4 shows state variation in the proportion of schools identified for choice. In the majority of states, 10 percent or fewer of Title I schools were identified for choice in 2003-2004, but in some states a much larger percentage was identified. One state, Wyoming, had no schools identified for choice in 2003-2004. Among the states with relatively few schools identified for choice were some of the nation's most rural states, including Maine, Mississippi, and Nebraska, but also some more populous states such as Florida and Texas. By contrast, in 22 states the percentage of Title I schools required to offer choice ranged from 11 percent to 48 percent. Among these were several of the nation's most populous states, including California, Illinois, and New York, but also one of the most rural—Alaska. Georgia and Hawaii each had 40 percent or more of their schools

identified for choice, higher than any other state. See appendixes III and IV for state details for each year.

Figure 4: Percentage of Title I Schools Identified for School Choice, by State, in School Year 2003-2004



Source: GAO analysis of state data.

A number of factors contribute to state variations in the proportion of schools identified for choice, including differences in school populations and state accountability systems. Under NCLBA, if a school contains a

minimum number of students in specific groups—low-income, major racial and ethnic minorities, students with disabilities, and limited English proficient—schools are held accountable for the academic outcomes of those groups, in addition to academic outcomes of the entire school. Large or diverse schools are likely to have more student groups containing the state-defined minimum number of students, and consequently have more performance targets. Because it is harder for schools with many targets to meet their overall performance goals, states with larger or more diverse schools may be more likely to have a higher percentage of schools miss their targets and be identified for choice.

Characteristics of states' accountability systems also contribute to the variation among states. For example, states use different standards and set different annual progress rates for reaching 100 percent proficiency. In addition, some states use smaller minimum student group sizes than other states. The smaller the size of the group used, the more likely a school will include additional student groups in accountability, increasing the number of performance targets the school must meet.¹²

About 1 Percent of Eligible Students Transferred in the Second Year; Little Is Known about Their Characteristics

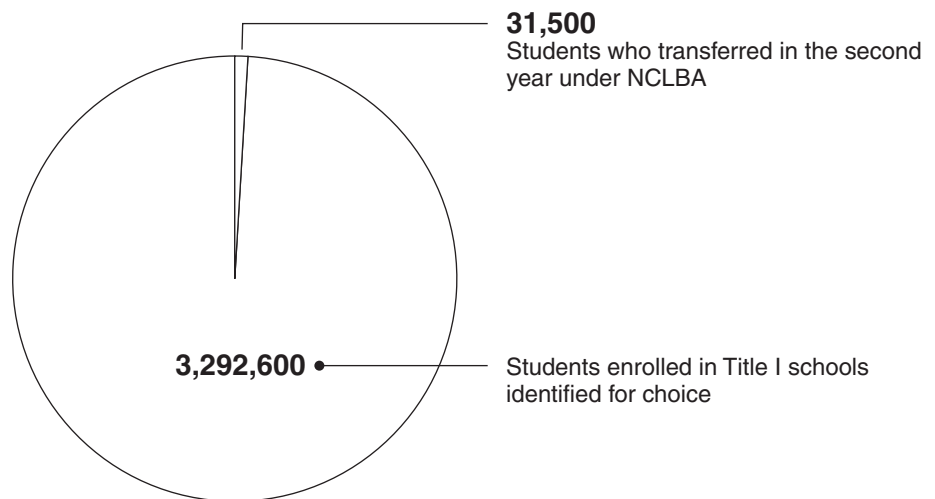
About 19,000 students transferred under the NCLBA school choice option in school year 2002-2003, the first year, and an additional 31,000 students transferred in the second year.¹³ As illustrated in figure 5, this number transferring in the second year represented about 1 percent of the students who were eligible. Across states, the number of eligible students who transferred under NCLBA in 2003-2004 ranged from zero in 6 states to over 7,000 in one state. States also varied in the extent to which eligible students exercised the option and transferred. Oregon reported the highest proportion of eligible students transferring at 17 percent, followed by Florida with 6 percent. The remaining states had less than 5 percent of eligible students transfer. Further, states with more students eligible for

¹²For more information on differences in state accountability systems, see [GAO-04-734](#).

¹³For the first year, Education reported 45,000 actual transfers based on data from 48 states, but this figure included one state that subsequently determined it had overstated its number by about 28,000 students. The 19,000 number we report is based on revised data for 50 states. For the second year, Cynthia G. Brown, et al, estimated that about 65,000 students requested transfers and 20,000 actually transferred based on data from 10 states and 68 districts (*Choosing Better Schools: A Report on Student Transfers under the No Child Left Behind Act*, The Citizens' Commission on Civil Rights, (Washington, D.C: May 2004)). Although higher, our 31,000 figure may still understate the actual numbers transferring because we could not obtain any transfer data for 7 states. See app.V for more information.

choice under NCLBA did not necessarily have more students use the transfer option. For example, although Hawaii had more students eligible for choice, Colorado had about twice as many students transfer. The number of eligible students transferring in each year for each state is detailed in appendix V.

Figure 5: Number of Title I Students Eligible for Choice and Number That Transferred in 42 States, the District of Columbia, and Puerto Rico in School Year 2003-2004



Source: GAO analysis of state data.

Overall, the proportion of eligible students transferring in the most rural states¹⁴ was about the same as in other states; however, statewide data may mask differences within states between rural and nonrural districts. For example, Kansas, the rural state with the most students eligible for choice, provided detailed data showing how many student transfers occurred in each district. About 70 percent of Kansas transfers were in the

¹⁴The states are Alaska, Iowa, Kansas, Maine, Mississippi, Montana, Nebraska, North Dakota, South Dakota, and Vermont, although Montana was unable to provide data for the second year and was not included in the analysis. These 10 states represent the most rural states in the country based on the percentage of their school districts in rural communities, the percentage of their students attending schools in rural communities, and the average distance between the states' school districts and the nearest metropolitan statistical area. See *GAO No Child Left Behind Act: Research on Effective Strategies Need for Small and Isolated Rural Districts*, [GAO-04-909](#) (Washington, D.C: Sept. 23, 2004).

state's three largest districts—Wichita, Shawnee Mission, and Kansas City—although about half of the students eligible for NCLBA transfers were located in those districts. Officials in several rural states reported that rural districts faced unique challenges implementing NCLBA choice. In some rural districts, although students were eligible for choice, no transfers took place because there were no other schools in the districts that could be offered as transfer options.¹⁵ Where transfer options were available, sometimes the distances between schools made transfers difficult.

In the 41 states that could provide student transfer data and had schools identified for choice in both years, the total number of transferring students rose by about 85 percent.¹⁶ This increase was driven by several states that had substantial increases, such as New York, New Jersey, and South Carolina. However, 8 states reported declining numbers of transfers, and 6 of these states also reported fewer schools identified for choice in the second year, while 2 reported increases.¹⁷

Little is known about the demographic characteristics and academic performance of students who transferred under NCLBA school choice in either year or reasons why parents accept or do not accept transfer opportunities. Although Education has requested state data on the number of students transferring each year, it has not collected data on the characteristics or academic performance of transferring students. Education officials told us that they have contracted for a major, multi-faceted study of NCLBA that will examine key areas of implementation,

¹⁵Where districts lack other schools to offer as transfer options, districts are required, to the extent practicable, to make transfer agreements with neighboring districts, but we are not aware of any locations where such interdistrict transfers have occurred.

¹⁶The increase may be understated, because second year data for some states were not available statewide and instead represents numbers for large districts in these states. Florida, Vermont, and Wyoming were not included among the 41 states, because they had no schools identified for choice the first year, although in the second year, Florida accounted for about 1,800 transfers. See app. V for details.

¹⁷The 8 states were Alabama, Illinois, Indiana, Iowa, North Dakota, Texas, Utah and Missouri. Illinois and Missouri reported increases in the number of schools identified the second year. Not included here are Massachusetts and Washington because the transfers for the second year are based only on the numbers in large districts, and thus may be understated. See app. III and IV for the number of schools identified in each year and app. V for the students transferring.

including school choice.¹⁸ Two parts of the study relating to school choice are descriptive: one is a descriptive comparison of the demographics of students who choose to transfer and those who do not. A second part examines reasons that parents give for their decisions about whether or not to apply for transfers. A third part of the study, still under design, will examine student achievement outcomes. This effort would examine the academic outcomes over time of transferring students in a sample of districts, but this portion of the study is not fully developed. For instance, officials said they are still exploring several possibilities for study methodology and whether demographic characteristics of these students will be included in the achievement analysis.

Our analyses of 2003-2004 demographic and academic data that we were able to obtain from one district we visited showed diversity in transferring students. Of the students who transferred, 53 percent were male, 62 percent were minorities representing all the major racial and ethnic groups, and 82 percent were from low-income families as measured by their eligibility for the free or reduced-price school lunch program. In addition, 10 percent of these transferring students were English language learners and 14 percent were enrolled in special education.¹⁹ In general, proportionately fewer minority and low-income students transferred, compared with students who were eligible but did not transfer, as shown in table 1. Our analysis of available student performance data from state reading and math assessments showed little difference between transferring students and those not transferring. The proportion of students who met the standards was about the same for each group.²⁰

¹⁸ Education refers to this study as the National Longitudinal Study of No Child Left Behind. Data will be collected for school years 2004-05 and 2006-07, with a report expected in September 2007.

¹⁹ Demographic categories used are not mutually exclusive.

²⁰ Assessment data were available for about one-quarter of the students in each group, because assessments were administered to students in only one grade at each school.

Table 1: Students Eligible but Not Transferring from Elementary and Middle Schools Identified for Choice Compared with Students Transferring in 2003-2004 in One District Visited

		Percent minority	Percent low income
School 1	Students eligible but not transferring	76	93
	Transferring students (N=15)	47	87
School 2	Students eligible but not transferring	72	92
	Transferring students (N=5)	40	100
School 3	Students eligible but not transferring	63	83
	Transferring students (N=75)	57	80
School 4	Students eligible but not transferring	73	84
	Transferring students (N=52)	63	81
School 5	Students eligible but not transferring	59	78
	Transferring students (N=58)	69	83
Total	Students eligible but not transferring	68	85
	Transferring students (N=220)	62	82

Source: School district officials.

Note: We were unable to associate 15 of the 220 transferring students with the school from which they transferred.

Compared with students in the schools into which they transferred, however, transferring students were somewhat lower performing on state assessments.²¹ About 33 percent of transferring students met state reading standards, while 43 percent of the other students in the receiving schools met these standards. Similarly, about 20 percent of transferring students met state math standards, while 34 percent of the other students in receiving schools met state math standards. Transfer students were also more often from a minority background. About 62 percent of the transferring students were minorities, but about 52 percent of the students in receiving schools were minorities.

Implementation of Choice Was Challenging in Selected Districts

Officials in most of the 8 districts we visited mentioned that they supported the NCLBA focus on improved student performance and accountability; however, they had difficulties providing school choice, primarily because of tight timeframes and insufficient capacity. To try to get notices out to parents before school started, most districts took a risk and acted on preliminary data on school performance that they received

²¹Based on 2002-03 reading and math assessments.

from the state in late summer because final data were not available. Parents of eligible students were presented at least two schools as transfer options, but many of these alternatives were similar to the schools students were currently attending. Some districts were not able to accommodate all transfer requests because the demand for some schools exceeded their capacity. Districts employed a variety of strategies to provide transportation to transferring students, including school buses, public transportation, and cash stipends.

Short Timeframes Created Challenges

Although the law requires districts to notify parents of the choice option by the start of the school year, 7 of 8 districts we visited did not receive final results of school performance for the most recent year from the state in time to meet the requirement. Consequently, many used preliminary data to identify schools for choice. Akron was the only district that had final results from the state when notices were sent to parents. Four districts used preliminary data to identify which schools had to offer choice and notified parents before school started. A fifth district also used preliminary data but did not receive the data until after school started. Using preliminary data can put districts at risk of incorrectly identifying schools as having to offer choice and consequently misinforming parents.²² One district included language in the notification letter to parents explaining that the transfer offer could be revoked if final determinations by the state were different. Table 2 shows key testing and notification dates in 6 of the districts we visited.

²²For example, Mississippi state officials told us that 3 of 10 schools identified for choice in 2003-04 based on preliminary data were later found to have met their goals. Mississippi requires districts to provide choice based on preliminary results and to honor its commitment to choice even when the final data yield different results. However, the school in N. Panola was not among the three incorrectly identified.

Table 2: Milestone Dates for Implementation of Choice for School Year 2003-2004 in Six Districts We Visited

School district	Month tests given (2003)	Preliminary results in from the state on schools' yearly performance (2003)	District notices sent to parents (2003)	Start of school year 2003-2004	Final results from the state on schools' yearly performance (2003 or later as noted)
Akron, Ohio	March	June (early)	July 25	August 27	July 21
Chicago, Ill.	March/April	July 28	August 9	September 2	December 19
Elgin, Ill.	March/April	July 30	August 6	August 25	June 2004
Pittsburgh, Pa.	March/April	August 5	August 28	September 7	September 23
Tacoma, Wash.	April/May	July 28	August 12	September 3	September 17
North Panola, Miss. ^a	April/May	August 8	September 3	August 5	November 21

Source: School district officials.

^aNorth Panola, a rural district in Mississippi, did not offer school choice, because the middle school identified was the only one in the district. Instead, the district notified parents and offered supplemental educational services.

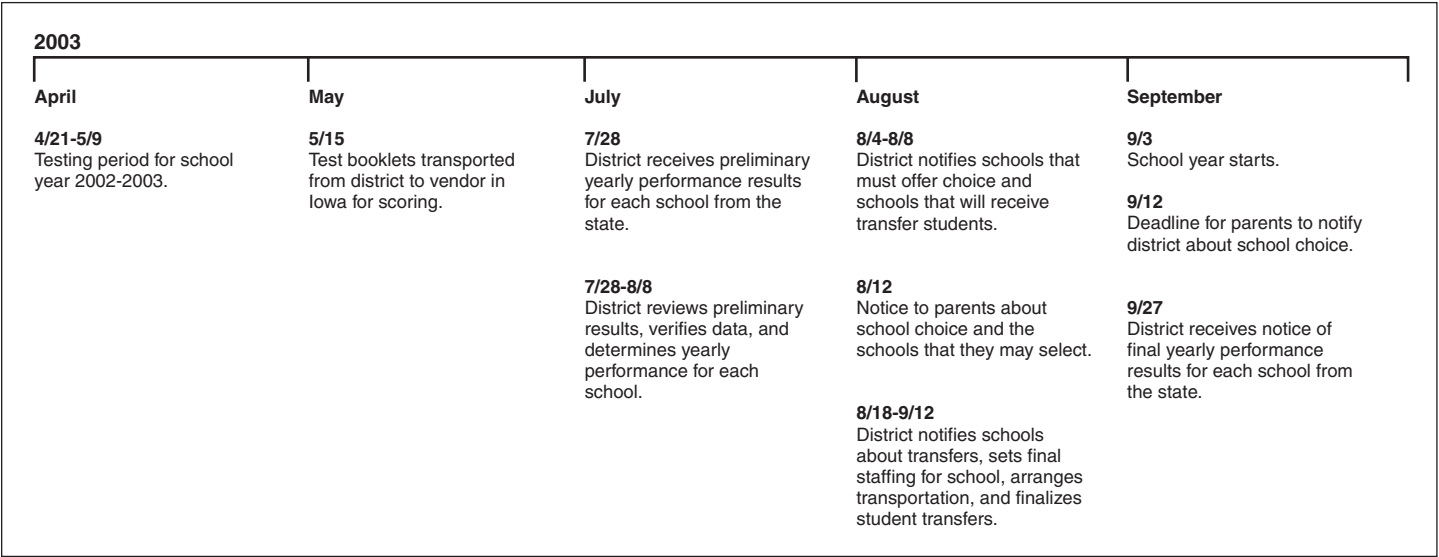
The remaining 2 districts we visited, Memphis and Fresno, did not use preliminary data from the most recent testing period, but rather used data from the previous year to determine the schools that would have to offer choice.²³ Officials said they were aware this delay was not in accord with Education guidance but took this action to combine NCLBA choice with their voluntary choice programs, which permit all students to request transfers in the spring. Memphis officials said that they planned to change their procedures and offer school choice twice in 2004—first in the spring, during the open enrollment process, for schools that they already know must offer choice and again in the fall when they receive the results of the spring 2004 assessments. Fresno officials did not indicate that they would be changing their procedures.

Given the tasks that districts must complete to offer school choice before school starts, officials expressed concerns that little could be done to mitigate these timeframe problems. Districts must first administer state tests in the spring, which are sometimes sent to contractors to be scored. Next, after receiving the preliminary test results from the state, districts assess the scores to verify the accuracy of the data, use these data to identify schools likely to be required to offer choice, and notify schools. Schools may appeal this decision to the state. Only after reviewing such

²³Tennessee did not provide Memphis with preliminary data prior to the start of school. California provided incomplete data prior to the start of school and final results in February 2004.

appeals do states release final determinations of which schools are required to offer choice. Most districts we visited did not have the final performance data before school started in the fall. Figure 6 shows the timeline of events in one school district we visited; similar patterns occurred in most others.

Figure 6: Timeline for Tacoma Public Schools, 2003



Source: Tacoma Public Schools.

The compressed timeframe for making school status determinations and implementing the choice option left parents little time to make transfer decisions, and district and school officials expressed concerns that parents did not have adequate time to make an informed decision. In most of the districts we visited, parents had 3 weeks or less to make their transfer decisions. In addition, in districts and schools with highly mobile populations, reaching parents can be time-consuming. Akron and Memphis officials told us that many letters notifying parents of the transfer option were sent to addresses found to be incorrect. To ensure that parents had a greater chance of learning about school choice, some districts used a variety of additional notification strategies—fliers, newspaper articles, postings to the district Web site, and public meetings. In addition, they provided parents several ways to communicate their desires such as through the mail, by telephone, or going to the district in person.

Officials in some districts also expressed concern that the information provided to parents was not always clear and that it may not have been

sufficient for them to base their decisions.²⁴ Letters sent to parents generally explained what it meant to be identified for choice, gave the reasons for the identification, described the process for applying for transfer, and listed the transfer school options. However, little information was provided about the transfer schools. In some districts, school officials were concerned that the wording of the letters may have been confusing. They said that parents did not always understand the meaning of the school choice option as explained in the letter and needed more time to consult with district or school officials. For example, officials in 2 districts told us that some parents misunderstood the letter and believed that they were required to transfer their child to another school. Other school officials talked about the need for parents to have additional information about specialized services and instructional support that certain schools provide in order to understand the educational implications of their decisions. Officials in one district told us that some parents who chose a transfer school later changed their minds when they found that student support services their child had received at their Title I school, such as extended day programs and after school tutoring made possible by Title I funds, were not available at the non-Title I transfer school.

Schools also faced challenges in implementing choice within the timeframes, particularly in adjusting staffing and scheduling, when they learned shortly before the start of school that they would be receiving students under the NCLBA school choice program. For example, a Tacoma middle school principal said that she faced a variety of challenges when she was notified a month before school started that the school was to receive NCLBA transfer students. Based on spring predictions of the school's student population and student needs, she had released six teachers. However, when notified the school was receiving 57 NCLBA transfers in the fall, she had to quickly hire two new teachers and reconfigure the schedule to include more remedial classes to accommodate the learning needs of the transferring students. In addition, school officials did not receive records for some students from the schools

²⁴Researchers in Colorado and Massachusetts echoed the districts' concerns. See Pamela Benigno, *No Child Left Behind Mandates School Choice: Colorado's First Year* (Independence Institute: June 2003) <http://www.independenceinstitute.org/edpublications.aspx> downloaded November 5, 2004. See also William Howell, "Fumbling for an Exit Key: Parents, Choice, and the Future of NCLB" in Frederick M. Hess and Chester E. Finn, Jr, editors, *Leaving No Child Behind? Options for Kids in Failing Schools* (New York, N.Y.: Palgrave Macmillan, Oct. 2004) 161-190.

they left until after school started, and some students were initially placed in the wrong classes.

Most Districts Offered Parents a Number of Schools as Choices, but Many of These Alternatives Were Similar to the Student’s Current School

Whenever possible, districts offered each parent at least 2 schools as transfer options, as required by federal regulations, but some districts offered more than 30 schools. The locations varied by district. Table 3 shows the number and location of elementary schools offered in the districts we visited. Some districts offered schools based on geographic location within the district and some offered schools districtwide. For example, as table 3 shows, students in Memphis attending one of the 40 schools identified for choice selected from among 3-10 transfer schools that were in the same general area of the city, while students in each of the 6 schools identified in Akron selected from a group of 33 schools spread across the district. Elementary schools offered as transfer options were more commonly selected for their proximity to sending schools than middle and high schools, which were generally offered districtwide. Although not shown in table 3, parents generally were offered fewer transfer options for middle and high school students, because districts tend to have fewer middle and high schools than elementary schools.

Table 3: Transfer Options Offered Parents of Elementary School Students in Seven Districts We Visited

District	Number of elementary schools required to offer choice	Number of elementary schools offered as transfer options to parents for each school required to offer choice	Number of schools parents instructed to select	Location: Districtwide or geographic area within district
Akron, Ohio	6	33	1	Districtwide
Chicago, Ill.	305	37	2	Districtwide
Elgin, Ill.	6	16	3	Districtwide
Fresno, Calif.	23	2	2	Geographic
Memphis, Tenn.	40 ^a	3-10	2	Geographic
Pittsburgh, Pa.	11	11-19	2	Geographic
Tacoma, Wash.	2	2	2	Geographic

Source: School district officials.

^aMemphis schools are those the state identified for choice in school year 2002-03.

Many schools that districts offered as transfer options had not met state performance goals in the prior year, and some were at risk themselves of having to offer choice in the following year. Among the seven districts that offered transfers, all had some schools offered as choices that had not met the state’s yearly performance goals, based on the spring 2003

assessments. Table 4 provides more detail on the status of schools offered as transfer options by district. Because many of these schools were Title I schools and, therefore, subject to NCLBA requirements, those that did not meet their yearly performance goals for a second consecutive year would have to offer school choice the following year. For example, in Memphis 37 Title I schools were offered as transfer options, and 29 of these had not met yearly performance goals based on spring 2003 tests. Some schools offered were not Title I schools and, therefore, were not required to offer transfers, regardless of the performance of the school. Overall, as shown in Table 4 for the districts we visited, from 21 to 73 percent of all schools offered, Title I and non-Title I, had met yearly performance goals.

Table 4: Title I Status and Performance of Schools Offered as Transfer Options for 2003-2004, by District

District	Number of schools offered as transfer options		Number of schools offered as transfer options that did not meet yearly performance goals based on spring 2003 tests		Number and percentage of all schools offered as transfer options that met yearly performance goals based on spring 2003 tests	
	Title I	Other schools	Title I	Other schools	Number Title I and other	Percentage Title I and other
Akron, Ohio	32	5	11	3	23	62
Chicago, Ill.	21	19	12	11	16	40
Elgin, Ill.	0	16	0	6	10	62
Fresno, Calif.	15	3	10	1	7	39
Memphis, Tenn.	37	10	29	6	10 ^a	21
Pittsburgh, Pa.	51	0	14	0	37	73
Tacoma, Wash.	4	4	1	3	3 ^a	38

Source: GAO analysis of school data from state or district education agency Web sites.

^aIn Memphis and Tacoma numbers do not add to totals because test data are not available for schools that were new as of 2003-2004 and did not have a testing history; in Tacoma there was one such school; in Memphis, there were two. In addition, there was one school in Chicago that did not have test data for 2002-2003.

Officials from large urban districts such as Fresno and Memphis said that they would have few schools to offer as choices if they did not offer Title I schools that had failed to meet the performance goals for only one year. Officials in some districts expressed concerns that, as the bar for meeting yearly performance goals is raised, more schools would fail and few schools would be available as transfer options. In these districts, over 80 percent of schools received Title I funds and many more students could become eligible for transfer under NCLBA.

In districts such as Chicago, Fresno, and Memphis with high proportions of Title I schools, the majority of the schools offered as transfer options were often demographically similar to those attended by students eligible for transfer. Specifically, the schools offered as transfer options served many poor students and had high minority populations. As shown in table 5, for example, 34 of Fresno’s 39 schools required to offer choice—about seven-eighths—had poverty rates that exceeded 75 percent, as did over half of the 18 schools offered as transfer options.

Table 5: Poverty and Minority Rates of Schools Required to Offer Choice and Schools Offered as Transfer Options in Fresno

School enrollment percentage	Poverty		Minorities	
	Number of schools required to offer choice	Number of schools offered as transfer options	Number of schools required to offer choice	Number of schools offered as transfer options
0-25%	0	3	0	0
26-50%	1	4	0	3
51-75%	4	1	1	7
76-100%	34	10	38	8

Source: GAO analysis of school data from state or district education agency Web sites.

In contrast, other districts that we visited tended to offer more transfer options that differed demographically from the schools required to offer choice. As shown in table 6, for example, 7 of Akron’s 8 schools required to offer school choice had poverty rates that exceeded 75 percent, but less than one-third of schools offered as transfer options had such rates. See appendix VI for poverty and minority rates of schools in seven districts that we visited.

Table 6: Poverty and Minority Rates of Schools Required to Offer Choice and Schools Offered as Transfer Options in Akron

School enrollment percentage	Poverty		Minorities	
	Number of schools required to offer choice	Number of schools offered as transfer options	Number of schools required to offer choice	Number of schools offered as transfer options
0-25%	0	1	0	11
26-50%	0	9	0	11
51-75%	1	16	4	7
76-100%	7	11	4	8

Source: GAO analysis of school data from state or district education agency websites.

Several Districts We Visited Cited Lack of Sufficient Capacity as Limiting the Number of Transfers

Despite the fact that all districts offered parents a choice of schools, officials in four districts told us that they were unable to accommodate some requests for transfers because of constraints on classroom capacity, as shown table 7. In two districts in Illinois—Elgin, and Chicago—officials said that they believed that state law did not allow their districts to offer choice under NCLBA if it led to overcrowding in schools.²⁵ Akron officials told us that they were seeking clarification from the state about whether any transfers in their district would be prohibited by Ohio state law. Memphis officials told us that demand exceeded the capacity at certain schools that were already overcrowded, and use of portables to expand capacity was unrealistic because of the expense and lack of sufficient space on school campuses.

Table 7: Number of Students Unable to Transfer Due to Capacity Limitations in 2003-2004

District	Number of students that applied for a transfer	Number of students that transferred to another school	Number of students unable to transfer because of capacity	Number of students not transferring for other reasons
Akron, Ohio	114	76	19	19
Chicago, Ill.	19,000	548	17,903	549
Elgin, Ill.	113	60	14	39
Fresno, Calif	465	101	0	364
Memphis, Tenn.	830	388 ^a	442	0
Pittsburgh, Pa.	161	151	0	10
Tacoma, Wash.	253	253	0	0

Source: School district officials; Chicago data from The Center for Education Policy, From the Capitol to the Classroom, January 2003.

^aMemphis approved 388 student transfers but did not collect data on the number of students that actually transferred.

In some districts with capacity constraints, open enrollment programs could limit the ability of students to transfer under NCLBA. In all but 2 of the districts we visited, school choice was available to all students through open enrollment programs. These programs offered students the chance to apply for transfers, typically during the winter and spring months, and, in

²⁵Elgin and Chicago cited an Illinois law, effective July 1, 2002, that limits transfer options when the receiving school would exceed capacity as a result of the transfer.

several districts, allowed transferring students to learn which school they would attend before the end of that school year. In contrast, students in most districts transferring under NCLBA did not know about their opportunity until just before the next school year started. Unless these districts took special care, schools could be filled to capacity with transfers approved under the open enrollment program before NCLBA students had the opportunity to apply. To avoid this situation, Akron gave NCLBA transfers priority and delayed decisions on requests for transfers under its open enrollment program until the decisions on NCLBA transfers had been made.

Officials in Fresno, Pittsburgh, and Tacoma reported that they had not yet experienced problems with capacity because few students had transferred. However, some officials expressed concern that capacity could pose a challenge in their district in the future. Specifically, officials in Fresno, Memphis, and Tacoma noted that if more schools were required to offer choice in the future, the number of students eligible to transfer could increase and capacity could become a problem.

Districts Used Different Strategies to Meet Transportation Requirement

The districts we visited arranged and paid for the transportation of students who transferred, as required under NCLBA, but did so in a variety of ways as allowed under the law. For instance, some districts provided school buses, while others paid for public transportation or provided cash stipends to cover public or private transportation. In 5 of the 7 districts, school buses picked up elementary students who lived more than 1-2 miles from their schools. For middle and high school students, some districts paid for public transportation by giving students passes or tokens. Finally, Akron gave parents a \$170 transportation subsidy at the end of the school year in which students transferred to subsidize the costs of public transit or defray the gasoline costs of driving their child to school.

In providing transportation, districts used relatively little of the funding that was required to be set aside for school choice transportation and for supplemental services because few students transferred. In 2003-2004, the estimated expenditures for transportation represented less than 7 percent of the set-aside funds in all but one district we visited. As shown in table 8, the proportions ranged from less than 1 percent in Akron to about 25 percent in Elgin. Most district officials did not expect to spend the full amount that had to be set-aside for the combined costs of choice-related

transportation and supplemental educational services.²⁶ However, some district officials said they anticipated that as more schools have to offer school choice and more students become eligible to transfer, it is likely that transportation expenditures will increase.

Table 8: Transportation Allocations and Projected Expenses for School Year 2003-2004, by District

District	Total Title I allocation	Required set-aside for transportation and supplemental services	Projected dollars spent on transportation	Number of students provided transportation	Percent of set-aside used to provide transportation
Akron, Ohio	\$12,463,428	\$2,492,686	\$13,416	76	0.54
Chicago, Ill.	\$240,829,945 ^a	\$48,165,989 ^a	\$1,000,000	548	2.08
Elgin, Ill.	\$2,323,966	\$464,793	\$117,934	51	25.37
Fresno, Calif.	\$40,225,930	\$8,045,186	\$385,900	101	4.80
Memphis, Tenn.	\$38,653,432	\$7,730,686	\$526,070	^b	6.80
Pittsburgh, Pa.	\$17,014,258	\$3,402,852	\$103,600	136	3.04
Tacoma, Wash.	\$8,854,322	\$1,770,864	\$72,070	253	4.07

Source: School district officials except where otherwise shown.

^aDepartment of Education estimated allocation for fiscal year 2003.

^bMemphis provided information on the number of transfers approved but did not collect data on the number of students that actually transferred.

Education Issued Extensive Guidance on Choice, but Questions Remain as Implementation Proceeds

Education issued final regulations and guidance on school choice within a year of NCLBA enactment, but did so after districts had begun their first year of implementation, and some issues remain unclear. Extensive additional guidance and technical assistance in the form of policy letters, training tools, presentations at conferences, and a handbook on promising practices became available at various times throughout the first and second years of implementation. While district officials we visited generally had access to Education's guidance, questions concerning the implementation of school choice remained, as might be expected in initial years of implementation. For example, there were "how to" questions about ways to offer choice when building capacity is limited. There were also "what if" questions involving issues that may arise as NCLBA implementation progresses, such as districts' use of Title I funds for transportation when students choose to remain at a school to which they have transferred if that school subsequently does not meet its yearly

²⁶Generally districts are permitted to carry over up to 15 percent of their Title I funds for use in the following year.

performance goals and is itself required to offer choice. Some of these questions have been addressed in guidance but others remain.

In the First Year, Districts Implemented Choice Using Preliminary Guidance Released through Letters to Superintendents

Responding to the need to get information out quickly, Education issued preliminary guidance in June 2002 before the start of the first school year. The information provided, however, was not always clear or complete. The preliminary guidance was sent out in the form of a “Dear Colleague” letter directly to school district superintendents as well as state education agency officials. In the letter, Education acknowledged that its preliminary guidance was necessarily brief and not as comprehensive as guidance that would be forthcoming. The letter highlighted key topics such as notices to parents, designation of sending and receiving schools, prioritization of students, capacity and transportation. The letter stated that choice had to be provided, unless prohibited by state law, to all eligible students, “subject to health and safety code requirements.” Some district officials believed this language allowed them to limit the number of transfers based on state or local health and safety codes or classroom size requirements.

Subsequent guidance provided additional information about Education’s position on capacity and other issues. Final regulations and draft guidance on choice were issued in December 2002, after the start of the first school year. The final regulations applied to all aspects of Title I, while the draft guidance applied specifically to school choice and was characterized as “non-regulatory” guidance. The final regulations clarified some key information and the December guidance added extensively to material in the June 2002 letter. For example, in response to numerous requests for clarification of its language on capacity, Education’s regulations made it explicit that districts were required to accommodate all transfer requests while complying with all applicable state and local health and safety codes as well as classroom size requirements. Districts had to offer all students at schools identified for choice the option of transferring and could not use lack of capacity as a reason to deny students this option. The regulations explained that state law exempts districts from offering choice only if the state law prohibits choice through restrictions on public school assignments or the transfer of students from one public school to another public school. The December guidance went further to help clarify Education’s position by contrasting its regulations on capacity before and after enactment of NCLBA and providing an explanation for the differences. Because there had been no mention of capacity in NCLBA and some district representatives were uncertain about the meaning of the preliminary guidance in the June letter, the final regulations and December guidance represented an important clarification of Education’s official

position on the issue. In these December documents, Education also suggested ways that districts might expand capacity, for example, by adding classes and additional teachers, in order to be able to offer choice to students while adhering to state classroom size requirements and health and safety codes.

Additional Guidance and Technical Assistance Provided in the Second Year of Implementation

In the second year of NCLBA implementation, Education updated and expanded its draft guidance and published a handbook on promising practices in the provision of school choice. Education also provided additional assistance in the form of training materials, presentations at various conferences and a toll-free hotline for district superintendents in both the first and second years. See table 9 for a chronology of the various types of guidance on choice issued by Education.

Table 9: Dates, Type, and Title of Guidance or Technical Assistance Provided by Education on School Choice under NCLBA

Year	Date	Guidance, information, or action
2002	February 15	Policy letter to Chief State School Officers on timetable for required actions in school year 2002-2003, including provision of choice. http://www.ed.gov/policy/elsec/guid/secletter/020215.html
	June 14	Preliminary guidance: Letter to District Superintendents and Chief State School Officers on school choice and supplemental educational services. http://www.ed.gov/policy/elsec/guid/secletter/020614.html
	September	Summary of law: NCLB: A Desktop Reference. http://www.ed.gov/admins/lead/account/nclbreference/index.html
	December 2	Final regulations to implement Title I under NCLBA. http://www.ed.gov/legislation/FedRegister/finrule/2003-4/120903a.html
	December 4	Draft non-regulatory guidance: Public School Choice. (23 pp.)
2003	February	Training materials: Choice Provisions of NCLBA (power point slides).
	March 24	Draft non-regulatory guidance: Impact of the New Title I Requirements on Charter Schools. (12 pp.)
	Summer	Letters to some states on additional steps needed to comply with choice and other requirements.
	August 21	Non-regulatory guidance: Local Educational Agency (LEA) Identification and Selection of School Attendance Areas and Schools and Allocation of Title I Funds to Those Areas and Schools. http://www.ed.gov/policy/elsec/guid/edpicks.jhtml?src=fp
	August 28	Policy letter to Chief State School Officers allowing carry over of Title I funds set aside for school choice transportation. http://www.ed.gov/policy/elsec/guid/secletter/030828.html
	December 22	Consolidated State Performance Reports due, including data on implementation on choice.
2004	January 7	Non-regulatory guidance: LEA and School Improvement. http://www.ed.gov/policy/elsec/guid/list.jhtml?page=12&size=10&sort=date&desc=show
	January	Letter to school superintendents regarding hotline. http://www.ed.gov/policy/gen/guid/secletter/040101.html
	February 6	Draft non-regulatory guidance: Public School Choice. (29 pp.) http://www.ed.gov/policy/elsec/guid/edpicks.jhtml?src=fp

Year	Date	Guidance, information, or action
	May	Technical Assistance Handbook: Innovations in Education: Creating Strong District School Choice Programs. http://ed.gov/admins/comm/choice/choiceprograms/index.html
	July	Non-regulatory guidance: Impact of the New Title I Requirements on Charter Schools. (16 pp.) http://www.ed.gov/policy/elsec/guid/edpicks.jhtml?src=fp
	August 18	Policy letter to Chief State School Officers on how to calculate the portion of transportation expenses related to choice when no additional costs are incurred. http://www.ed.gov/policy/elsec/guid/stateletters/choice/choice081804.html
	October 12	Policy letter to Chief State School Officers on reallocating reserved Title I funds, use of set-asides, and handling of schools that change Title I status. http://www.ed.gov/policy/elsec/guid/stateletters/uofcssos.html

Source: Education officials and Education's Web site www.ed.gov.

The February 2004 guidance was developed in response to state questions, often made at the request of districts, for further clarification of several issues. Although Education's primary relationship was with state agencies, Education officials also made appearances at conferences attended by district and school officials and made a concerted effort to alert local education officials and other interested parties when it released its latest guidance through electronic mailing lists to subscribers and through its Web site. In many of the districts that we visited, officials told us that they had access to Education's guidance, either directly from Education's Web site, from the state agency or from a national organization representing their interests, such as the Council of the Great City Schools.

One of the major changes in the February 2004 guidance was a list of 10 ways that districts might increase capacity in order to provide school choice for all eligible students requesting transfers. The guidance suggested that districts "employ creativity and ingenuity" in developing ways to expand capacity, such as setting up "virtual" schools, reallocating portable classrooms, or creating "schools within schools" that would be new, distinct schools, with separate faculty, within the physical sites of schools required to provide choice. Some district officials we interviewed expressed their reservations about the feasibility of Education's suggestions on how to develop the needed capacity, in part because of concerns about the costs of implementing the suggestions.

The May 2004 technical assistance handbook describes promising practices in several key areas, including capacity, that have been employed to implement choice in 5 school districts. The most detailed and thorough description covers strategies that these districts have used to deal with parental notification and decision-making, but other chapters deal with capacity and transportation, support for sending and receiving schools, use of databases and surveys for planning, and factors leading to

success. With respect to capacity, the handbook lists the actions that certain districts have taken but does not describe them in detail. For example, the handbook states that Milwaukee established a special team that spent 2 months assessing available capacity; Miami-Dade used portables; Denver used teacher lounges and resource rooms as classrooms, and Mesa created new schools. Individuals interested in more details could contact the districts involved to find out more about timetables and costs of these various strategies at the postal or Web site addresses listed in the handbook. Education officials told us that within the first 6 months following its publication they had sent out over 16,000 copies of handbook to state officials and to organizations representing local education officials, such as the National School Boards Association and the National Alliance of Black School Educators.

**Complexity of
Implementing Choice
Raises Issues Not
Addressed in Guidance**

Numerous questions concerning current or future implementation issues were raised during our visits with district and school officials that were not answered clearly in Education's February 2004 guidance on choice. The issues involved how best to handle, within the context of federal regulations and guidance, certain complex situations involving timetables, schools receiving transfers, transportation, and capacity. With respect to timetables for parental notification, district officials we visited in two states were concerned about the accuracy of preliminary state determinations of the schools that made or did not make yearly performance goals. Because NCLBA required that they offer choice by the start of school, the districts were acting on preliminary but possibly inaccurate determinations made by states and were uncertain if there were any circumstances that would permit them to delay choice until they received final determinations. Basically, the questions involved how best to mitigate the risks for all involved—districts, schools, parents and students. Notices sent to parents had included warnings—either that the school status might change within a month or that the offer of choice might be withdrawn. However, there was interest in finding better ways to deal with the uncertainty involved, including what steps should be taken on behalf of parents and students when transfers have occurred either into or out of schools that were designated incorrectly.

Even where school designations were known, planning for future contingencies raised a number of questions about schools offered as transfer options and about transportation arrangements. District officials

explained that they are operating in a dynamic environment where school performance can change from one year to the next and their status as Title I or not Title I schools can also change.²⁷ Officials in one district we visited asked for confirmation that, if they could not find reasonable alternatives, they would be permitted to offer as transfer options those schools that had missed their performance goals for one or more years, as long as they were not Title I schools. Confirmation could be inferred from the February 2004 non-regulatory guidance on choice, but was not clear-cut. Considerations of schools offered as transfer options led into further questions about transportation provided for students who transferred, for example if students could continue to receive Title I-funded transportation if they had transferred into a Title I school offered as a transfer option that later missed its yearly performance goals for 2 consecutive years.

In several districts we visited, we found that officials were struggling to find practical and realistic ways to offer choice when building capacity, budgets and timeframes were limited. Some of these officials had studied the suggestions offered in Education's February guidance but considered creation of virtual or charter schools to be long-term projects that could not provide capacity in time to meet short deadlines. Other officials commented that they did not know what steps to take to create "schools within schools," as suggested, or how to estimate the costs. Cost considerations were a major issue in several districts where capacity constraints had limited the number of transfers under NCLBA.

Education officials told us in November 2004 that they believed that the guidance and technical assistance that they had provided thus far was sufficient to meet the needs identified by states and district officials with whom they were in contact. At that time, they had no specific plans to issue further guidance or provide additional technical assistance on these issues. However officials added that policy letters will continue to be issued as needed in response to questions raised by states that have not been addressed elsewhere.

²⁷Title I funds must be provided to schools with high poverty rates. Schools that previously received no Title I funds may become eligible with changes in their student enrollment or may lose their eligibility. Also, districts have the option to extend Title I funding to other eligible schools with lower poverty rates, or having done so in the past, to alter their decision. For example, Memphis officials told us that they expanded the number of schools receiving Title I funds in school year 2004-2005.

Finally, some issues that district officials raised during our site visits were not ones for which Education could provide guidance. These issues involved distinctions between federal and state requirements that individual states would be expected to resolve for their districts. For example officials in one district sought clarification as to whether or not their state applied the NCLBA interventions both to schools not receiving Title I funds and to Title I schools. Officials in another district were unsure about whether their state exempted schools that did not receive Title I from some NCLBA interventions, such as school choice and supplemental services, but not from other interventions, such as corrective action and restructuring after repeatedly missing yearly performance goals.

Conclusions

NCLBA is an important and complex piece of legislation, and as implementation proceeds, Education will need to continue to help states and districts address the many issues they face in providing school choice. State and districts officials, although positive about the intent of NCLBA, nevertheless identified a variety of challenges in implementing the law. Half of the districts we visited did not grant as many transfers as were requested because of constraints on the building capacities at many of their schools. Difficulties related to building capacity are unlikely to diminish in the future, and could become more pronounced if the number of students eligible to transfer increases and the number of schools available as potential transfer options decreases. In the first 2 years under NCLBA, Education data show that the number of schools not making their yearly performance goals increased. Several state officials suggest that this trend will continue. Consequently, it is likely that more schools will be identified for choice, which would increase the number of students eligible for transfer while decreasing the pool of possible transfer schools. Further, new challenges may arise if the schools to which students have transferred in the early years of NCLBA do not themselves make their yearly performance goals.

In addition, our work raised questions about how well-informed parents are about the school choice option. In the second year of NCLBA, about 1 percent of eligible students transferred, and without more information on the reasons parents do or do not take advantage of the transfer option, policy makers and school officials may miss opportunities to better serve parents and students through the choice option. In addition, it is unclear whether or not parents are receiving adequate information to make fully informed transfer decisions. It may be that parents do not fully understand why their child's school was identified for choice or the educational services available in the transfer school. Education's longitudinal study of

NCLBA will address some of these questions. The parental survey will explore the reasons parents do or do not exercise the transfer option and the circumstances that facilitate or hinder their decisions. The result of the survey may give Education and policymakers insight into the reasons behind the numbers of students who have transferred, as well as assist school officials in assuring that parents are aware of the option. In addition, the technical assistance handbook that Education issued in May 2004 provides some suggestions that may help districts improve their communications with parents, but this information is based on the experiences of only a small number of school districts. Districts may need additional help in various ways, including how to provide information on choice options that can be easily understood by parents and how to provide additional information parents need to make an informed decision.

Finally, little is known about transferring students or the effects of transfers, but Education's plans for its major study of NCLBA are promising. As planned, the study should provide insight into the demographic characteristics of students transferring under the school choice provision and the extent to which the lowest achieving students from low-income families, identified for priority consideration under the law, are exercising the transfer option. Equally important is Education's proposed analysis of how transfers may affect the subsequent academic performance of students who change schools under the choice provision of NCLBA. This portion of Education's proposed study is critical to informing policy makers and school officials about whether or not the school choice option is achieving its intended outcome of improving student achievement; however, this part of the study is still in the design phase.

Recommendations for Executive Action

To help states and districts implement choice and to gain a better understanding of its impact, we recommend that the Secretary of Education:

- Monitor issues related to limited classroom capacity that may arise as implementation proceeds, in particular, the extent to which capacity constraints hinder or prevent transfers. Based on this monitoring, Education should consider whether or not additional flexibility or guidance addressing capacity might be warranted.

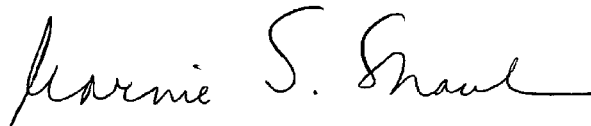
-
- Collect and disseminate additional examples of successful strategies that districts employ to address capacity limitations and information on the costs of these strategies.
 - Assist states in developing strategies for better informing parents about the school choice option by collecting and disseminating promising practices identified in the course of working with states and districts. For instance, Education might collect and share examples of clear, well-written, and particularly informative notices. In addition, Education should make the results of its parental surveys, conducted as part of its national study, widely available for use by states and districts to help them better refine their communications with parents regarding school choice.
 - For its student outcomes study, Education should use the methodology with the greatest potential to identify the effects of the school choice transfer on students' academic achievement. The methodology selected should allow it to compare academic outcomes for transferring students over several years with outcomes for similar students not transferring, while accounting for differences in student demographics. The study should also examine the extent to which transferring students remain in the schools to which they transfer.

Agency Comments and Our Evaluation

We provided a draft of this report to the Department of Education for review and comment. Education's written comments appear in appendix VII. Recommended technical changes have been incorporated in the report as appropriate.

Education said that the report would be a useful addition to the literature on the public school choice provision and indicated its intent to use the findings and recommendations in the report to improve Education's technical assistance to states and districts and to strengthen its implementation studies. Specifically, Education agreed with our recommendations concerning monitoring capacity and disseminating successful strategies to meet capacity challenges, noting several projects under development that might assist in carrying out these recommendations. Education also strongly supported our recommendation that it assist states in better informing parents about the school choice option and related some of its plans for doing so. Regarding our recommendation concerning the department's study of choice implementation, Education said that it is working to design a rigorous analysis of student outcomes and will take our recommendation into consideration as it refines the design for the study.

We are sending copies of this report to appropriate congressional committees, the Secretary of Education, and other interested parties. Copies will be made available to other interested parties upon request. In addition, the report will be available at no charge on GAO's Web site at <http://www.gao.gov>. If you or your staff have any question about this report, please call me at (202) 512-7215. Key contributors are listed in appendix VIII.

A handwritten signature in black ink that reads "Marnie S. Shaul". The signature is fluid and cursive, with the first name "Marnie" being more prominent than the last name "Shaul".

Marnie S. Shaul
Director, Education, Workforce, and
Income Security Issues

Appendix I: Scope and Methodology

The objectives of this report were to determine (1) the extent to which Title I schools have been affected by the school choice provision of The No Child Left Behind Act (NCLBA) of 2001 in terms of the number of schools identified for choice and the number of students exercising the option; (2) the experiences of selected school districts in implementing the choice provision; and (3) the kinds of guidance and technical assistance that the Department of Education provided states and districts as they implemented public school choice.

To determine the extent that schools have been affected by school choice in terms of the number of schools required to offer choice and the number of students exercising the option, we analyzed data for school years 2002-2003 and 2003-2004 using two sources: our survey of state education agencies and state reports to Education. To obtain data on the **number of schools that had to offer choice**, we used a different source for each school year. For 2002-2003, we surveyed state education agencies in all 50 states, the District of Columbia, and Puerto Rico; for 2003-2004, we obtained data from Education that had been reported by each state in its *Consolidated State Performance Report: Part I*. Information on the **number of students that chose to transfer** to another school for school year 2002-2003 was obtained from the *Consolidated State Performance Report: Part I*; for 2003-2004, the data were obtained from our survey of the state education agencies, the District of Columbia, and Puerto Rico. Although there was a 100 percent response rate to our survey and to Education's report, not all states provided complete information. Seven states did not provide any transfer information for 2003-2004 because they did not plan to collect this information until later in school year 2004-2005.

To test the reliability of these data, we performed a series of tests, which included checking that data were consistent, that subtotals added to totals and that data provided for one year bore a reasonable relationship to the next year's data and to data reported elsewhere, including state education websites. Where we found discrepancies or sought clarification, we followed up with state officials. In several states, officials revised the numbers that they had initially reported to us or to Education. We determined these data to be sufficiently reliable for our purposes.

In addition, we sought information on schools and students from several sources. The grade span and location of schools (urban or rural) identified for choice and the demographics of their students was available from the National Center for Education Statistics (NCES). We were not able to describe the characteristics of the schools required to offer choice in 2002-

2003 because the list of schools was not available. We analyzed data for the nation as a whole and by state, expressing the results in relation to the universe of all Title I schools or all public K-12 schools. When we compared results in the first school year with results in the second, we compared only states that provided information for both years and eliminated any states that provided data only for a single year. Because NCES data were not available for 2003-2004, the year for which we obtained lists of schools identified for choice, we used as a proxy the 2002-2003 enrollment data for these schools including student numbers, minority status and eligibility for the free or reduced price school lunch program as a measure of the family income. Because these were the only data available, and because we considered them adequate for our purposes, we used 2002-2003 enrollment data to characterize schools in 2003-2004, based on an assumption that at the aggregate levels the numbers and characteristics did not differ significantly from one year to the next. We discussed this assumption with education officials at NCES, and for a sample of states, tested it by checking the changes from 2001-2002 to the following year for schools identified. We also tested the reliability of the NCES data by comparing our numbers to published totals and by reviewing documentation. We considered these data to be sufficiently reliable for our purposes.

To determine the experiences of selected school districts' implementation of NCLBA school choice, we visited eight districts that had schools required to offer choice. On the basis of our discussions with state officials and our own research, we selected districts located in seven states—California, Illinois, Ohio, Mississippi, Pennsylvania, Tennessee, and Washington. Districts selected were based on geographic location and district profile in terms of the number of schools required to offer school choice, student population, and demographic profile. (See table 10 for district characteristics.) During our visits, we interviewed officials in school district offices and in most districts, also interviewed principals of schools that were required to offer school choice as well as principals of schools that received transferring students. In each of these districts, we attempted to obtain data on the characteristics of students—such as race, poverty, and academic achievement—that had transferred to another school under NCLBA school choice in school year 2003-2004; we had limited success at obtaining such information from most schools. We were able to obtain information on transferring students' academic achievement from one district but most districts had not collected this information.

Table 10: Characteristics for 2003-2004 of Eight Districts We Visited

District Characteristic	Akron Public Schools, Ohio	Chicago Public Schools, Ill.	Elgin (School District U-46), Ill.	Fresno Unified School District, Calif.	Memphis Public Schools, Tenn.	North Panola School District, MS	Pittsburgh Public Schools, Pa.	Tacoma Public Schools, Wash.
Geographic area	Midwest	Midwest	Midwest	West	South	South	Northeast	West
Total schools in district ^a	58	588	51	86	176	5	85	54
Total enrollment in district	28,100	426,000	39,500	80,300	114,800 ^b	1,820 ^c	33,800	31,700
Number of schools required to offer choice	8	368	6	39	71 ^d	1	21	5
Number of students eligible for choice	2,960	250,000	2,460	34,005	52,600	390	6,800	2,480
Number of students that transferred	76	548 ^e	60	101	388 ^f	0	151	253
Percentage of eligible students that transferred	2.6%	0.2%	2.4%	0.3%	0.7%	0%	2.2%	10.2%
Percentage of students economically disadvantaged	56%	85%	32%	75%	65%	94%	63%	55%
Voluntary school choice program	Yes	Yes	No	Yes	Yes	No	Yes	Yes

Source: GAO analysis of school data from state or district education agency Web sites and school district officials.

^aIncludes district charter and magnet schools; excludes specialized and alternative schools.

^bMemphis student enrollment is average daily membership.

^cThe student count for North Panola is from the NCES Common Core of Data for 2002-2003.

^dMemphis schools are those the state identified for choice in school year 2002-03.

^eChicago approved 1,097 student transfers and about half of the students actually transferred.

^fMemphis approved 388 student transfers but did not collect data on the number of students that actually transferred.

To determine the kinds of guidance and technical assistance that Education provided states and districts as they implemented NCLBA public school choice, we reviewed regulations, policy letters, and non-regulatory guidance provided to states and districts. We also interviewed Education officials involved with developing the guidance and providing assistance to states in implementing school choice. To obtain the perspective of officials using the guidance provided by Education, we

interviewed district officials at all eight sites and state agency officials in 2 states. In addition, to obtain a national perspective on the effectiveness of Education's guidance and assistance to the states and districts, we interviewed officials at the Council of the Great City Schools, the Council of Chief State School Officers, and the Center on Education Policy.

Appendix II: NCLBA Interventions for Schools Not Meeting Yearly Performance Goals Over Time

Number of years of missing performance goals based on tests administered in prior school year	NCLBA interventions for schools that do receive Title I funds	NCLBA interventions for schools that do not receive-Title I funds
First year missed	None	None; states may set their own
Second year missed	In first year of school improvement, required to offer choice	None; states may set their own
Third year missed	In second year of school improvement, required to offer choice and supplemental educational services	None; states may set their own
Fourth year missed	In corrective action, ^a required to offer choice and supplemental services	None; states may set their own
Fifth year missed	In planning for restructuring, ^b required to offer choice and supplemental services	None; states may set their own
Sixth year missed	In implementation of restructuring, required to offer choice and supplemental services	None; states may set their own

Source: GAO analysis of NCLBA.

^aCorrective 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.

^bRestructuring is a major reorganization of a school, involving fundamental reforms, such as significant changes in the school's staffing and governance.

Appendix III: Number of Title I Schools in Each State Identified for Choice in School Year 2002-2003

State	Number of schools that received Title I funds	Number of schools identified for choice	Percent of Title I schools identified for choice
Hawaii	139	82	58.99
Georgia	1,064	600	56.39
Indiana	791	236	29.84
Maryland	361	105	29.09
New Mexico	533	116	21.76
Illinois	2,433	526	21.62
Arizona	1,021	193	18.90
Delaware	106	20	18.87
New Jersey	1,379	259	18.78
Idaho	403	72	17.87
Massachusetts	1,129	195	17.27
Arkansas	825	123	14.91
California	5,467	814	14.89
New York	2,941	431	14.65
Colorado	582	80	13.75
Tennessee	856	114	13.32
Rhode Island	149	17	11.41
Pennsylvania	1,892	198	10.47
Nevada	117	12	10.26
Michigan	2,196 ^a	216	9.84
District of Columbia	172	15	8.72
Utah	216	18	8.33
Ohio	2,052	161	7.85
Kansas	648	50	7.72
Montana	643	45	7.00
North Dakota	443	29	6.55
Wisconsin	1,083	68	6.28
Alabama	872	52	5.96
Minnesota	1,007	60	5.96
Alaska	299	17	5.69
Nebraska	497	27	5.43
South Carolina	534	27	5.06
Washington	997	48	4.81
Virginia	785	34	4.33
South Dakota	345	13	3.77

**Appendix III: Number of Title I Schools in
Each State Identified for Choice in School
Year 2002-2003**

State	Number of schools that received Title I funds	Number of schools identified for choice	Percent of Title I schools identified for choice
Iowa	712	26	3.65
Puerto Rico	1,511	48	3.18
Kentucky	866	25	2.89
Oklahoma	1,188	30	2.53
West Virginia	452	8	1.77
Missouri	1,277	21	1.64
Connecticut	528	8	1.52
New Hampshire	269	4	1.49
Mississippi	668 ^a	9	1.35
North Carolina	1,131	15	1.33
Louisiana	943	11	1.17
Maine	442	4	0.90
Oregon	582	5	0.86
Texas	4,823	37	0.77
Florida	1,374	0	0.00
Vermont	214	0	0.00
Wyoming	171	0	0.00
Total	52,128	5,324	

Source: GAO survey, Education's Consolidated State Performance Report.

^aMichigan and Mississippi did not report the number of Title I schools for school year 2002-2003. Michigan suggested and we agreed to use the number in school year 2001-2002 as a proxy. For Mississippi, we used a proxy from the National Center for Education Statistics.

Appendix IV: Number of Title I Schools in Each State Identified for Choice in School Year 2003-2004

State	Number of schools that received Title I funds	Number of schools identified for choice	Percent of Title I schools identified for choice
Georgia	1,115	533	47.80
Hawaii	204	82	40.20
Arkansas	824	230	27.91
Maryland	380	102	26.84
Illinois	2,357	562	23.84
Nevada	117	27	23.08
New Mexico	546	120	21.98
California	5,521	1205	21.83
Alaska	296	64	21.62
Arizona	1,021	220	21.55
New Jersey	1,379 ^a	262	19.00
Massachusetts	1,163	208	17.88
New York	3,006	528	17.56
Pennsylvania	1,724	298	17.29
South Carolina	549	90	16.39
Rhode Island	147	24	16.33
Michigan	2,196 ^a	352	16.03
Indiana	786	97	12.34
Colorado	659	80	12.14
Delaware	104	12	11.54
District of Columbia	138	15	10.87
Idaho	399	43	10.78
South Dakota	336	32	9.52
Puerto Rico	1,494	140	9.37
Ohio	2,116	191	9.03
Louisiana	945	69	7.30
Tennessee	856	56	6.54
North Dakota	365	23	6.30
Montana	678	40	5.90
Virginia	791	44	5.56
Alabama	859	46	5.36
Wisconsin	1,095	52	4.75
Kansas	665	30	4.51
Washington	995	44	4.42
Minnesota	1,006	38	3.78

**Appendix IV: Number of Title I Schools in
Each State Identified for Choice in School
Year 2003-2004**

State	Number of schools that received Title I funds	Number of schools identified for choice	Percent of Title I schools identified for choice
Oklahoma	1,238	46	3.72
North Carolina	1,154	35	3.03
Florida	1,426	43	3.02
Kentucky	874	25	2.86
Utah	218	6	2.75
Missouri	1,275	32	2.51
Connecticut	499	12	2.40
Vermont	209	4	1.91
West Virginia	409	7	1.71
Iowa	694	11	1.59
Maine	461	6	1.30
Nebraska	494	6	1.21
Oregon	595	7	1.18
Mississippi	668 ^a	7	1.05
New Hampshire	248	2	0.81
Texas	5,061	9	0.17
Wyoming	184	0	0.00
Total	52,539	6,217	

Source: GAO survey, Education's Consolidated State Performance Report.

^aMichigan, Mississippi, and New Jersey did not report the number of Title I schools in school year 2003-2004. Michigan suggested and we agreed to use the number in school year 2001-2002 as a proxy. For Mississippi, we used a proxy from the National Center for Education Statistics for the 2002-2003 school year. For New Jersey, we used the number of Title I schools the state reported for the 2002-2003 school year.

Appendix V: Number of Students in Each State Transferring under Choice Option in First 2 Years of NCLBA

State	Number of students who transferred in 2002-2003	Number of students who transferred in 2003-2004	Percent of eligible students ^a who transferred in 2003-2004
Oregon	742	873	17.40
Florida	Not applicable	1,820	6.28
South Carolina	519	1,772	4.28
West Virginia	49	90	4.14
New Mexico	529	1,699	3.72
Kentucky	229	384	3.66
Alabama	777	740	3.50
North Carolina	93	337	3.42
Connecticut	7	262	3.32
Delaware	0	195	2.92
Utah	204	58	2.85
Tennessee	810	929 ^b	2.82
Indiana	1,301	1,199	2.52
Virginia	277	432	2.26
Kansas	202	212	2.18
District of Columbia	192	197	2.18
Maryland	709	1,050	2.01
New Jersey	257	2,738	1.80
Minnesota	Not available	270 ^b	1.68
New York	1,507	7,373	1.51
Iowa	170	60	1.48
Ohio	698	1,169	1.24
Washington	620	270 ^b	1.21
Nevada	127	226	1.20
Louisiana	18	371	0.88
Colorado	194	299 ^b	0.86
Pennsylvania	110	1,126	0.56
Illinois	1,418 ^c	1,364 ^c	0.34
Hawaii	21	154	0.31
Alaska	2	26	0.31
Massachusetts	845	304 ^b	0.31
California	3,139	3,419	0.28
New Hampshire	1	2	0.23
Mississippi	4	7	0.19
Rhode Island	17	27 ^b	0.19

**Appendix V: Number of Students in Each
State Transferring under Choice Option in
First 2 Years of NCLBA**

State	Number of students who transferred in 2002-2003	Number of students who transferred in 2003-2004	Percent of eligible students^a who transferred in 2003-2004
Missouri	91	16	0.13
South Dakota	1	5	0.07
Idaho	0	4	0.03
Maine	0	0	0.00
Nebraska	0	0	0.00
North Dakota	11	0	0.00
Puerto Rico	0	0	0.00
Texas	59	0	0.00
Vermont	Not applicable	0	0.00
Arizona	83	Not available	Not available
Arkansas	171	Not available	Not available
Georgia	1,874	Not available	Not available
Montana	38	Not available	Not available
Oklahoma	549	Not available	Not available
Wisconsin	111	Not available	Not available
Michigan	Not available	Not available	Not available
Wyoming	Not applicable	Not applicable	Not applicable
Total	18,732	31,479	

Source: GAO survey, Education's Consolidated State Performance Report.

^aTo calculate percents, we used NCES 2002-2003 school year enrollment figures for all schools identified for choice in the 2003-2004 school year. See app. I.

^bTransfer figures shown may be understated, because they represent transfers in large districts in these 6 states: Colorado, Massachusetts, Minnesota, Rhode Island, Tennessee, and Washington.

^cIn both years, Illinois state officials reported transfers for most but not all districts. In 2002-2003, the state report included Chicago; in 2003-2004, the state report excluded Chicago and we added the transfer figure provided by Chicago.

Note: Michigan officials told us that they were not able to distinguish the number of NCLBA transfers from the other transfers under their statewide open enrollment programs.

Appendix VI: Poverty and Minority Rates of Schools Required to Offer Choice and Schools Offered as Transfer Options

School enrollment percentage by district	Poverty		Minorities	
	Number of schools required to offer choice	Number of schools offered as transfer options	Number of schools required to offer choice	Number of schools offered as transfer options
Akron, Ohio				
0-25%	0	1	0	11
26-50%	0	9	0	11
51-75%	1	16	4	7
76-100%	7	11	4	8
Chicago, Illinois				
0-25%	1	1	0	2
26-50%	0	5	0	2
51-75%	2	11	3	6
76-100%	365	23	365	29
Elgin, Illinois				
0-25%	0	13	0	4
26-50%	0	3	0	9
51-75%	3	0	1	3
76-100%	2	0	4	0
Fresno, California				
0-25%	0	3	0	0
26-50%	1	4	0	3
51-75%	4	1	1	7
76-100%	34	10	38	8
Memphis, Tennessee^b				
0-25%	0	1	0	0
26-50%	0	9	0	2
51-75%	5	5	3	7
76-100%	66	30	68	36
Pittsburgh, Pennsylvania				
0-25%	0	0	0	6
26-50%	0	11	0	15
51-75%	2	17	8	17
76-100%	19	23	13	13

**Appendix VI: Poverty and Minority Rates of
Schools Required to Offer Choice and Schools
Offered as Transfer Options**

School enrollment percentage by district	Poverty		Minorities	
	Number of schools required to offer choice	Number of schools offered as transfer options	Number of schools required to offer choice	Number of schools offered as transfer options
Tacoma, Washington				
0-25%	0	0	0	0
26-50%	0	1	0	3
51-75%	0	3	4	5
76-100%	5	3	1	0

Source: GAO analysis of school data from state or district education agency Web sites.

^aFor Chicago, minority data were not available for one of the 40 transfer schools.

^bTwo of the 47 transfer schools in Memphis were new in school year 2003-2004, and no data were available on the poverty or minority rates for the student enrollment at these two schools.

^cOne of the 8 transfer schools in Tacoma was new in school year 2003-2004, and no data were available on the poverty rate for the student enrollment at this one school.

Appendix VII: Comments from the Department of Education



UNITED STATES DEPARTMENT OF EDUCATION

THE DEPUTY SECRETARY

December 3, 2004

Ms. Marnie S. Shaul
Director
Education, Workforce and Income Security Issues
Government Accountability Office
441 G Street, NW
Washington, DC 20548

Dear Ms. Shaul:

I am writing in response to your request for comments on the Government Accountability Office (GAO) draft report (GAO-05-7) dated December 2004 and entitled, "No Child Left Behind Act: Education Needs to Provide Additional Technical Assistance and Conduct Implementation Studies for School Choice Provision." I believe that this study will be a useful addition to the literature on the public school choice provision of Title I, Part A, of the Elementary and Secondary Education Act (ESEA), as amended by the No Child Left Behind Act (NCLB), and appreciate receiving the information about the implementation of this provision.

As you report, the Department has issued guidance and technical assistance on public school choice on numerous occasions throughout the last few years, providing the field with two versions of guidance on public school choice, policy letters, and the guidebook, *Creating Strong District School Choice Programs*, of which we currently have distributed 26,000 copies. Also, as you report, we have disseminated these materials aggressively and have presented information to policymakers and practitioners in myriad ways, through workshops at education conferences, symposia, webcasts, and more. It is encouraging to see, as you discovered, that the number of students who transferred under the public school choice provision increased significantly between 2002-03 and 2003-04. We believe that the Department's efforts contributed to that increase.

We are aware, as the report points out, that some parents may not be transferring their children because they have not been well informed about the school choice option by their district. The Department has been working tirelessly with States, districts, and grassroots organizations to inform parents around the country of the choice option. Through several grants made under the Fund for the Improvement of Education and through Parental Information and Resource Centers, the Department has provided outreach and information to parents on a national level about the school choice option. We know that our efforts have led to parents learning about, and taking advantage of, their opportunity to transfer their children. Much remains to be done, however.

400 MARYLAND AVE., S.W., WASHINGTON, D.C. 20202-0500
www.ed.gov

Page 2

I would like to use the remainder of this letter to respond to the recommendations that you make to the Secretary. I appreciate the thoughtfulness of these recommendations, which I believe are important and reasonable.

Your first two recommendations address the challenge of districts' limited classroom capacity to implement choice. You suggest that the Department monitor issues related to limited classroom capacity and based on this monitoring, consider whether to provide additional flexibility or guidance to address capacity challenges. You also recommend that the Department collect and disseminate examples of successful strategies that districts have used to overcome capacity limitations and provide information on what these strategies cost districts. I agree with both of these recommendations and would like to share with you some of the steps the Department is already taking related to these recommendations and the challenges concerning capacity.

Recently, the Department held a workshop for districts seeking to create or expand their school choice programs as a way to improve student achievement in their schools. The workshop was dedicated to practical matters that districts must consider in addressing choice, such as staffing, transportation, funding and resources, and professional development for school staff. It offered an opportunity for district officials to learn from their peers about techniques and strategies to overcome these challenges. The Department plans to replicate this highly successful workshop in the coming year.

Additionally, in the past two years, the Department has funded three major projects to help States and districts design and implement effective public school choice programs:

- The Department recently awarded a grant to the Center for Education Innovation-Public Education Association to work with five large, urban communities around the country (New York City, Philadelphia, Pittsburgh, Columbus, and Cleveland). The project will establish "Centers for Quality Public School Choice" that reflect local needs, evolve via local initiative, and are sustained by becoming institutionalized within each of the school districts. The primary objective of the Centers will be to restructure large public schools for the purpose of improving educational opportunities and creating additional capacity for choice. The Department will share the work of this grant, including lessons learned, with communities around the country.
- The Department also awarded a joint grant to the University of Minnesota and the National Governors Association. This grant has two goals: (1) to provide timely, useful information for State policymakers about school choice as one tool to increase student achievement and reduce the achievement gap; and (2) to provide in-depth technical assistance to five States wishing to expand or improve their school choice system(s). The project will develop policy primers that identify State policy best practices relating to the full range of school choice programs.

Page 3

- Finally, the Department funded the organization Public Impact and the Education Commission of the States, which have collaborated to produce a guide for State policymakers regarding how to use charter schools and other mechanisms to create new choice capacity. These organizations are also organizing meetings with State officials to develop and share ideas on this front.

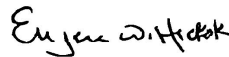
The Department is also focusing on expanding capacity for public school choice through some of its larger discretionary grant programs, such as the Charter Schools program and the Magnet Schools Assistance program. And we continue to promote innovative solutions to public school choice challenges through our Voluntary Public School Choice program.

The Department also supports strongly your third recommendation, to assist States in developing strategies for better informing parents about the school choice option by collecting and disseminating best practices. The Department has begun to do this through its *Innovations in Education* guidebook on school choice and plans to post online examples of clear, well-written, and informative notices as well as other templates and tools. We will also share with States and districts examples of well-written letters informing parents of school choice, through our national meetings and our Title I monitoring visits to States. Additionally, the Department will share the results of its parental surveys, conducted as part of its national evaluation of NCLB, with local and State officials so they can learn from the findings and improve their outreach and communication with parents.

Your final recommendation is that the Department utilize, as part of its national evaluation of NCLB, a methodology that will allow it to compare academic outcomes for transferring students over several years with outcomes for similar students not transferring, while accounting for differences in student demographics. You also recommend that the study examine the extent to which transferring students remain in the schools to which they transfer. The Department is working to design a rigorous analysis of student outcomes associated with participation in the Title I transfer option, and we will take your recommendations into consideration as we refine the design for this part of the study.

Thank you again for taking the time to research and report on the public school choice provision. The Department will use the findings and recommendations made in this report to improve its technical assistance to States and districts and to strengthen its own implementation studies.

Sincerely,


Eugene W. Hickok

Appendix VIII: GAO Contacts and Staff Acknowledgments

GAO Contacts

Deborah L. Edwards (202) 512-5416 or edwardsd@gao.gov
Patricia L. Elston (202) 512-3016 or elstonp@gao.gov

Staff Acknowledgments

In addition to those named above, the following individuals made important contributions to this report: Nancy Purvine, Sara Margraf, Scott Spicer, John Mingus, Amy Buck, and Margaret Armen.

Related GAO Products

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.

Special Education: Additional Assistance and Better Coordination Needed among Education Offices to Help States Meet the NCLBA Teacher Requirements. [GAO-04-659](#). Washington, D.C.: July 15, 2004.

Student Mentoring Programs: Education's Monitoring and Information Sharing Could Be Improved. [GAO-04-581](#). Washington, D.C.: June 25, 2004.

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

Title I: Characteristics of Tests Will Influence Expenses: Information Sharing May Help States Realize Efficiencies. [GAO-03-389](#). Washington, D.C.: May 8, 2003.

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

Title I: Education Needs to Monitor States' Scoring of Assessments. [GAO-02-393](#). Washington, D.C.: April 1, 2002.

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

Title I Program: Stronger Accountability Needed for Performance of Disadvantaged Students. [GAO/HEHS-00-89](#). Washington, D.C.: June 1, 2000.

GAO's Mission

The Government Accountability Office, the audit, evaluation and investigative arm of Congress, exists to support Congress in meeting its constitutional responsibilities and to help improve the performance and accountability of the federal government for the American people. GAO examines the use of public funds; evaluates federal programs and policies; and provides analyses, recommendations, and other assistance to help Congress make informed oversight, policy, and funding decisions. GAO's commitment to good government is reflected in its core values of accountability, integrity, and reliability.

Obtaining Copies of GAO Reports and Testimony

The fastest and easiest way to obtain copies of GAO documents at no cost is through GAO's Web site (www.gao.gov). Each weekday, GAO posts newly released reports, testimony, and correspondence on its Web site. To have GAO e-mail you a list of newly posted products every afternoon, go to www.gao.gov and select "Subscribe to Updates."

Order by Mail or Phone

The first copy of each printed report is free. Additional copies are \$2 each. A check or money order should be made out to the Superintendent of Documents. GAO also accepts VISA and Mastercard. Orders for 100 or more copies mailed to a single address are discounted 25 percent. Orders should be sent to:

U.S. Government Accountability Office
441 G Street NW, Room LM
Washington, D.C. 20548

To order by Phone: Voice: (202) 512-6000
TDD: (202) 512-2537
Fax: (202) 512-6061

To Report Fraud, Waste, and Abuse in Federal Programs

Contact:

Web site: www.gao.gov/fraudnet/fraudnet.htm

E-mail: fraudnet@gao.gov

Automated answering system: (800) 424-5454 or (202) 512-7470

Congressional Relations

Gloria Jarmon, Managing Director, JarmonG@gao.gov (202) 512-4400
U.S. Government Accountability Office, 441 G Street NW, Room 7125
Washington, D.C. 20548

Public Affairs

Susan Becker, Acting Manager, BeckerS@gao.gov (202) 512-4800
U.S. Government Accountability Office, 441 G Street NW, Room 7149
Washington, D.C. 20548