

**REPORT OF THE
SUPERINTENDENT OF PUBLIC INSTRUCTION**

**Status of the Department's
Effort to Estimate the
Cost Impact of the Federal
No Child Left Behind Act**

**TO THE GOVERNOR AND
THE GENERAL ASSEMBLY OF VIRGINIA**



HOUSE DOCUMENT NO. 21

**COMMONWEALTH OF VIRGINIA
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COMMONWEALTH of VIRGINIA

DEPARTMENT OF EDUCATION

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July 31, 2004

The Honorable John H. Chichester
Chairman, Senate Finance Committee
Virginia General Assembly
P.O. Box 904
Fredericksburg, Virginia 22404-0904

The Honorable Vincent F. Callahan, Jr.
Chairman, House Appropriations Committee
Virginia General Assembly
P.O. Box 1173
McLean, Virginia 22101

Dear Sirs:

Pursuant to Item 144, paragraph E.5.b., of the Appropriation Act (Chapter 4, 2004 Acts of Assembly, Special Session I), I am required to report on the status of the department's effort to estimate the cost impact of the federal No Child Left Behind (NCLB) Act.

In response to the General Assembly's request, the department is participating in a consortium of state departments of education sponsored by the Council of Chief State School Officers (CCSSO). This consortium was formed to develop a coordinated approach for analyzing the costs of NCLB. CCSSO is a nationwide, nonprofit organization composed of the officials who head each state's department of elementary and secondary education. CCSSO helps establish partnerships among member states to facilitate the study of educational issues.

The purpose of this NCLB cost consortium is to pool resources to estimate the cost of implementing the requirements of NCLB. The CCSSO has contracted with Augenblick, Palaich, and Associates, Inc. (APA) to develop a model framework that states can use to determine the activities required to implement NCLB and their associated costs. In addition to the benefits of a process developed in collaboration with other states, the use of a third party brings independent objectivity to the process.

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To date, CCSSO has convened two meetings during which the participating states were provided with APA's proposed costing model, which consists of the required components and tasks associated with meeting all the aspects of NCLB. All of the consortium states participated in discussions to amend the proposed model to suit the needs of the states involved. This process has resulted in an approach that breaks the requirements of NCLB into seven major components for purposes of determining the cost to the state departments of education. All states participating in the NCLB cost consortium have agreed to use the following major components:

1. Standards and Assessment
2. Accountability
3. Technical Assistance
4. School Choice and Supplemental Services
5. High-Quality Educators
6. NCLB Data Management; and
7. NCLB Titles

Within each of the seven components, there may be several areas; for example, under the "standards and assessment" component, areas include developing reading standards and conducting reading assessments. Tasks further divide some, but not all, areas into more specific steps or requirements. For each task, the department is responsible for determining all the activities required to implement the task. To help illustrate the detailed nature of this cost analysis, I have attached the consortium's list of major components as well as the areas and tasks identified for each component. This list represents the combined work of all of the states. Virginia will not necessarily have costs in each of the areas identified.

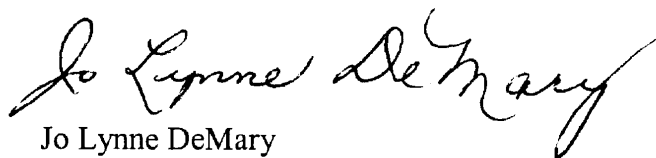
The NCLB cost consortium recently completed development of the attached components, areas, and tasks that represent the framework of the efforts required to implement NCLB. In the coming months, we will be working to develop Virginia's list of activities and estimated costs associated with this framework.

While this effort is taking place, the department will also be working to develop similar activities and cost estimates for school divisions. The process of determining the state and local cost impacts of NCLB is a significant undertaking requiring extensive staff time and resources and is expected to take several months to complete. Because of the level of complexity and time that will likely be involved with developing estimates of local costs, we are planning to use a process that will select sample school divisions in an effort to develop a unit cost methodology that can be used to estimate costs statewide. We do not believe a statewide survey of this complexity that would require all school divisions to respond would be a productive effort.

The department is continuing to make progress in meeting your request and, over the upcoming months, will make status updates available upon your request. If you have questions or require additional information, please do not hesitate to contact me or Dr. Patricia I. Wright, deputy superintendent, at (804) 225-2979. You may also contact Dan Timberlake, assistant superintendent for finance, at (804) 225-2025.

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Sincerely,



Jo Lynne DeMary

JLD/bkl

Attachment

C: The Honorable Mark R. Warner
The Honorable Belle S. Wheelan

COMPONENT 1A – STANDARDS AND ASSESSMENTS

Component 1A, Standards and Assessments refers to two major elements that are required in building an accountability system. To hold schools and school districts accountable, it is necessary to set standards by which schools and districts can be evaluated. NCLB and most states have student performance standards which specify the proportions of students that should be able to perform at specific levels of performance in certain subject areas in certain grades. In some cases, NCLB and state student performance standards are closely related to each other, covering the same subject areas and grades and defining expected levels of performance in similar ways. But, most likely, NCLB and state student performance standards are somewhat different and some effort is required to establish or redesign state standards so that they are consistent with NCLB.

In order to measure whether certain performance standards are being met, many states have developed procedures to assess it – at least in the subject areas and at the grade levels specified by the state. NCLB has specific requirements about student assessments that may be inconsistent with state requirements. Most likely, your state has made some effort to develop assessments that go beyond what is necessary to meet state requirements. In addition, you incur a cost to “process” the actual assessments used to measure student performance; that is, there is a cost to purchasing tests, administering tests, scoring tests, formatting results, distributing results, and explaining results.

The layout of *Areas* and *Tasks* found within *Component 1A* is as follows:

Area 1A-A: Create standards for Reading

- Task 1A-A(1) – Establish and update standards (Reading)
- Task 1A-A(2) – Develop standards resources/support materials (Reading)
- Task 1A-A(3) – Disseminate standards and resources and train educators (Reading)

Area 1A-B: Create standards for Math

- Task 1A-B(1) – Establish and update standards (Math)
- Task 1A-B(2) – Develop standards resources/support materials (Math)
- Task 1A-B(3) – Disseminate standards and resources and train educators (Math)

Area 1A-C: Create standards for Science

- Task 1A-C(1) – Establish and update standards (Science)
- Task 1A-C(2) – Develop standards resources/support materials (Science)
- Task 1A-C(3) – Disseminate standards and resources and train educators (Science)

Area 1A-D: Create standards for Limited English Proficient students (LEP)

- Task 1A-D(1) – Establish and update standards (LEP)
- Task 1A-D(2) – Develop standards resources/support materials (LEP)
- Task 1A-D(3) – Disseminate standards and resources and train educators (LEP)

Area 1A-E: Create standards for Special Education (SPED)

- Task 1A-E(1) – Establish and update standards (SPED)
- Task 1A-E(2) – Develop standards resources/support materials (SPED)
- Task 1A-E(3) – Disseminate standards and resources and train educators (SPED)

Area 1A-F: Create assessments for Reading

- Task 1A-F(1) – Develop and update assessments (Reading)
- Task 1A-F(2) – Develop and disseminate assessment resources (Reading)
- Task 1A-F(3) – Train educators (Reading)
- Task 1A-F(4) – Administer assessments (Reading)
- Task 1A-F(5) – Score assessments (Reading)
- Task 1A-F(6) – Create reports for each school and LEA (Reading)

Area 1A-G: Create assessments for Math

- Task 1A-G(1) – Develop and update assessments (Math)
- Task 1A-G(2) – Develop and disseminate assessment resources (Math)
- Task 1A-G(3) – Train educators (Math)
- Task 1A-G(4) – Administer assessments (Math)
- Task 1A-G(5) – Score assessments (Math)
- Task 1A-G(6) – Create reports for each school and LEA (Math)

Area 1A-H: Create assessments for Science

- Task 1A-H(1) – Develop and update assessments (Science)
- Task 1A-H(2) – Develop and disseminate assessment resources (Science)
- Task 1A-H(3) – Train educators (Science)
- Task 1A-H(4) – Administer assessments (Science)
- Task 1A-H(5) – Score assessments (Science)
- Task 1A-H(6) – Create reports for each school and LEA (Science)

Area 1A-I: Create assessments for Limited English Proficient students (LEP)

- Task 1A-I(1) – Develop and update English language proficiency assessments (LEP)
- Task 1A-I(2) – Develop and disseminate assessment resources (LEP)
- Task 1A-I(3) – Train educators (LEP)
- Task 1A-I(4) – Administer assessments (LEP)
- Task 1A-I(5) – Score assessments (LEP)
- Task 1A-I(6) – Create reports for each school and LEA (LEP)

Area 1A-J: Create accommodations to regular assessments for eligible students

- Task 1A-J(1) – Develop and update accommodations guidelines for all tests
- Task 1A-J(2) – Develop and disseminate accommodations policies and resources
- Task 1A-J(3) – Train educators
- Task 1A-J(4) – Administer assessments with accommodations for Reading
- Task 1A-J(5) – Administer assessments with accommodations for Math
- Task 1A-J(6) – Administer assessments with accommodations for Science
- Task 1A-J(7) – Evaluate accommodations guidelines/practices

Area 1A-K: Create alternative assessments for eligible special education students (SPED)

- Task 1A-K(1) – Develop and update alternative assessments (SPED)
- Task 1A-K(2) – Develop and disseminate assessment resources (SPED)
- Task 1A-K(3) – Train educators (SPED)

- Task 1A-K(4) – Administer assessments (SPED)
- Task 1A-K(5) – Score assessments (SPED)
- Task 1A-K(6) – Create reports for each school and LEA (SPED)

Area 1A-L: Evaluate alignment of standards and assessments

- Task 1A-L(1) – Evaluate alignment of standards and assessments for Reading
- Task 1A-L(2) – Evaluate alignment of standards and assessments for Math
- Task 1A-L(3) – Evaluate alignment of standards and assessments for Science
- Task 1A-L(4) – Evaluate alignment of standards and assessments for LEP
- Task 1A-L(5) – Evaluate alignment of standards and assessments for SPED

Area 1A-M: Administer Component 1A

- Task 1A-M(1) – Administer Component 1A
- Task 1A-M(2) – Communications 1A

COMPONENT 1B – ACCOUNTABILITY

Component 1B, Accountability refers to the design and operation of the system by which schools and school districts are evaluated in relation to standards. Prior to NCLB, some states had developed procedures to evaluate schools and school districts based on input and outcome standards. NCLB requires that states organize student performance information in specific ways so that the adequate yearly progress (AYP) of students (and sub-groups of students) can be reviewed and information about student performance can be made public. Your state probably has incurred costs (time and materials) to modify an existing accountability system, if not to design a new one, as well as to gather data, prepare reports and distribute information.

The layout of *Areas* and *Tasks* found within *Component 1B* is as follows:

Area 1B-A: Create a comprehensive NCLB accountability system

- Task 1B-A(1) – Create accountability system
- Task 1B-A(2) – Evaluate accountability system

Area 1B-B: Create and disseminate AYP accountability reports

- Task 1B-B(1) – Generate school report cards
- Task 1B-B(2) – Generate LEA report cards
- Task 1B-B(3) – Generate state report card
- Task 1B-B(4) – Respond to AYP questions and inquiries

Area 1B-C: Determine annual AYP status of schools, districts, and state

- Task 1B-C(1) – Determine status
- Task 1B-C(2) – Notify districts of school and LEA status
- Task 1B-C(3) – Notify parents
- Task 1B-C(4) – Respond to questions and administer appeals

Area 1B-D: Train district and school staff to interpret AYP data

- Task 1B-D(1) – Provide AYP training

Area 1B-E: Administer Component 1B

- Task 1B-E(1) – Administer Component 1B
- Task 1B-E(2) – Communications 1B

COMPONENT 2A – TECHNICAL ASSISTANCE FOR LEAs AND SCHOOLS

Component 2A, Technical Assistance for LEAs and Schools, refers to services that must be provided to LEAs and schools that do not meet NCLB expectations of adequate yearly progress (AYP), thereby being classified in one of five “status” levels (schools in need of improvement - year 1, schools in need of improvement - year 2, schools requiring corrective action, schools planning for restructuring, and schools that are restructuring). In dealing with “status” schools, states/LEAs may provide assistance by forming/leading on-site teams, employing consultants, using contractors, purchasing materials, or doing other things that incur staff time or other costs. In effect, the major cost of this component is the cost of the services provided per LEA/school multiplied by the number of LEA/schools expected to be eligible to receive services (which the templates calculate internally).

The layout of *Areas* and *Tasks* found within *Component 2A* is as follows:

Area 2A-A: Create a technical assistance and support system for LEAs and schools

- Task 2A-A(1) – Create technical assistance and support system

Area 2A-B: Provide technical assistance and support for LEAs with status schools

- Task 2A-B(1) – Support and technical assistance provided to LEAs **PER SCHOOL** in need of improvement (year 1)
- Task 2A-B(2) – Support and technical assistance provided to LEAs **PER SCHOOL** in need of improvement (year 2)
- Task 2A-B(3) – Support and technical assistance provided to LEAs **PER SCHOOL** subject to corrective action (year 3)
- Task 2A-B(4) – Support and technical assistance provided to LEAs **PER SCHOOL** planning for restructuring (year 4)
- Task 2A-B(5) – Support and technical assistance provided to LEAs **PER SCHOOL** for restructuring (year 5)
- Task 2A-B(6) – Support and technical assistance provided to LEAs **PER SCHOOL** with Title I schools not yet incurring AYP sanctions
- Task 2A-B(7) – Support and technical assistance provided to LEAs **PER SCHOOL** not receiving Title I funding

Area 2A-C: Provide technical assistance and support for LEAs

- Task 2A-C(1) – Support and technical assistance provided **PER LEA** in need of improvement (year 1)
- Task 2A-C(2) – Support and technical assistance provided **PER LEA** in need of improvement (year 2)
- Task 2A-C(3) – Support and technical assistance provided **PER LEA** subject to corrective action (year 3 and beyond)

Area 2A-D: Evaluate the state's comprehensive technical assistance system

- Task 2A-D(1) – Evaluate the technical assistance system

Area 2A-E: Develop a state recognition program for schools and educators

- Task 2A-E(1) – Create and implement distinguished schools program
- Task 2A-E(2) – Create and implement distinguished educator awards program

Area 2A-F: Administer Component 2A

- Task 2A-F(1) – Administer Component 2A
- Task 2A-F(2) – Communications 2A

COMPONENT 2B – SCHOOL CHOICE AND SUPPLEMENTAL SERVICES

Component 2B, School Choice and Supplemental Education Services refers to specific consequences of not meeting NCLB standards. Under NCLB, states must offer the option of enrolling in a higher performing school to some students attending “status” schools, which incurs costs associated with informing parents, identifying alternative schools, transporting students, and so on. It will be necessary to estimate the number of schools at different “status” levels for each year covered by this project (2003-04 through 2007-08), as well as the number of students who might take advantage of the options available to them, in order to estimate costs. In addition, NCLB requires that some students in some schools receive tutorial services, which must be provided by approved vendors. It will be necessary to estimate the number of students eligible to receive supplemental services and the number of students who might actually use such services in order to estimate costs. In addition, costs associated with informing parents about the availability of services, monitoring the providers of services, and administering the program need to be specified.

The layout of *Areas* and *Tasks* found within *Component 2B* is as follows:

Area 2B–A: Create the school choice and supplemental education services systems

- Task 2B-A(1) – Create school choice program
- Task 2B-A(2) – Create supplemental education services program
- Task 2B-A(3) – Evaluate school choice and supplemental education services programs

Area 2B-B: Offer school choice

- Task 2B-B(1) – Identify eligible students
- Task 2B-B(2) – Work with receiving schools
- Task 2B-B(3) – Monitor LEA compliance
- Task 2B-B(4) – Manage appeals process
- Task 2B-B(5) – Manage collection of LEA school choice data

Area 2B-C: Offer supplemental education services

- Task 2B-C(1) – Identify eligible students
- Task 2B-C(2) – Select providers
- Task 2B-C(3) – Process participating students
- Task 2B-C(4) – Monitor LEA compliance
- Task 2B-C(5) – Manage appeals process
- Task 2B-C(6) – Manage collection of LEA supplemental education services data

Area 2B-D: Administer Component 2B

- Task 2B-D(1) – Administer Component 2B
- Task 2B-D(2) – Communications 2B

COMPONENT 3 – HIGH QUALITY EDUCATORS

Component 3, High Quality Educators refers to an “input” requirement of NCLB that mandates the qualifications of teachers, paraprofessionals, and others who interact with students. States must track the qualifications of staff and overcome any shortcomings.

The layout of *Areas* and *Tasks* found within *Component 3* is as follows:

Area 3-A: Develop a high quality educator system

- Task 3-A(1) – Review licensing requirements for teachers, administrators, and paraprofessionals and align with state's academic content standards
- Task 3-A(2) – Evaluate the high quality educator system

Area 3-B: Ensure high quality teachers

- Task 3-B(1) – Define standards for high quality teachers
- Task 3-B(2) – Determine if teachers are meeting the standards and provide assistance to those seeking to meet the standards
- Task 3-B(3) – Monitor LEA progress toward all teachers being highly qualified and number of classrooms served by teachers not designated as highly qualified in their subject area
- Task 3-B(4) – Train principals and other administrators to evaluate high quality teachers and other school-based personnel
- Task 3-B(5) – Provide high quality, research-based professional development

Area 3-C: Ensure high quality paraprofessionals

- Task 3-C(1) – Define standards for high quality paraprofessionals
- Task 3-C(2) – Determine if paraprofessionals are meeting the standards and establish procedures to assist those seeking to meet those standards
- Task 3-C(3) – Monitor LEA progress in meeting NCLB paraprofessional requirements
- Task 3-C(4) – Provide high quality, research-based professional development

Area 3-D: Ensure high quality principals and other administrators

- Task 3-D(1) – Define standards for high quality principals and other administrators
- Task 3-D(2) – Determine if high quality principals and other administrators are meeting the standards
- Task 3-D(3) – Provide high quality, research-based professional development

Area 3-E: Attract and retain high quality educators

- Task 3-E(1) – Develop policies, programs, or practices aimed at helping LEAs attract and retain high quality teachers, administrators, and paraprofessionals

Area 3-F: Reporting system for high quality educators

- Task 3-F(1) – Create reporting system to capture all teacher, administrator, and paraprofessional status data required for (i) completing the state's annual federal report, (ii) tracking statewide progress in ensuring that all educators are highly qualified, and (iii) planning effective future human resource strategies.

Area 3-G: Administer Component 3

- Task 3-G(1) – Administer Component 3
- Task 3-G(2) – Respond to questions and administer appeals
- Task 3-G(3) – Communications 3

COMPONENT 4 – NCLB DATA MANAGEMENT

Component 4, NCLB Data Management refers to the effort required to collect information, organize it to support other components, develop reports, and distribute information. In most cases, this means moving to an individual student recordkeeping system that collects information from numerous sources, processes that information, and communicates with multiple recipients quickly. States may need to review their hardware and software capacity, their telecommunications capability, and the qualifications of personnel in order to facilitate necessary improvements.

For this *Component* the state must identify the list of related “projects” that need to be undertaken to support NCLB. Further, it is necessary to specify the proportion of project costs attributable to NCLB.

The layout of *Areas* and *Tasks* found within *Component 4* is as follows:

Area 4-A: Data management projects

- Task 4-A(1) – Data management projects list

Area 4-B: Administer Component 4

- Task 4-B(1) – Administer Component 4
- Task 4-B(2) – Evaluate data management capacity and effectiveness
- Task 4-B(3) – Communications 4

COMPONENT 5 – ADMINISTRATION OF NCLB AND TITLE PROGRAMS

Component 5, Administration of NCLB and Title Programs (NOT REPORTED ELSEWHERE), includes the cost of administering all programs included in NCLB. This component is also included because it may be easier for a state to organize its thinking about NCLB resource use by federal title rather than by the list of Components that have been developed. In that case, it is not necessary to fill out the templates for other Components that correspond with NCLB titles with their own templates. Other administration is included to cover people or contracts that cannot easily be divided into *Activities/Tasks/Areas/Components*.

The layout of *Areas* and *Tasks* found within *Component 5* is as follows:

Area 5–A: Title I: Improving the Academic Achievement of the Disadvantaged

- Task 5–A(1) – Title I, Part A: Improving Basic Programs
- Task 5–A(2) – Title I, Part B, 1-4: Reading and Literacy Programs
- Task 5–A(3) – Title I, Part C: Education of Migratory Children
- Task 5–A(4) – Title I, Part D: NDAR Programs
- Task 5–A(5) – Title I, Part E, 1501-1504: National Assessment
- Task 5–A(6) – Title I, Part F: Comprehensive School Reform
- Task 5–A(7) – Title I, Part G: Advanced Placement
- Task 5–A(8) – Title I, Part H: Dropout Prevention
- Task 5–A(9) – Title I, Part I: General Provisions

Area 5–B: Title II: Preparing, Training and Recruiting High Quality Teachers and Principals

- Task 5–B(1) – Title II, Part A: Teacher and Principal Training
- Task 5–B(2) – Title II, Part B: Math and Science Partnerships
- Task 5–B(3) – Title II, Part C: Various Programs
- Task 5–B(4) – Title II, Part D: Technology

Area 5–C: Title III: Language Instruction for Limited English Proficient Students

- Task 5–C(1) – Title III: Language Instruction

Area 5–D: Title IV: 21st Century Schools

- Task 5–D(1) – Title IV, Part A: Safe and Drug-free Schools
- Task 5–D(2) – Title IV, Part B: 21st Century Learning Centers
- Task 5–D(3) – Title IV, Part C: Environmental Tobacco Smoke

Area 5–E: Title V: Informed Parental Choice and Innovative Programs

- Task 5–E(1) – Title V, Part A: Innovative Programs
- Task 5–E(2) – Title V, Part B: Charter Schools
- Task 5–E(3) – Title V, Part C: Magnet Schools
- Task 5–E(4) – Title V, Part D: Various Programs

Area 5–F: Title VI: Flexibility and Accountability

- Task 5–F(1) – Title VI, Part A: Flexibility and Accountability
- Task 5–F(2) – Title VI, Part B: Rural Education
- Task 5–F(3) – Title VI, Part C: NAEP

Area 5–G: Title VII: Indian, Native Hawaiian and Alaska Native Education

- Task 5–G(1) – Title VII, Part A: Indian Education
- Task 5–G(2) – Title VII, Part B: Native Hawaiian Education
- Task 5–G(3) – Title VII, Part C: Alaska Native Education

Area 5–H: Title VIII: Impact Aid

- Task 5–H(1) – Title VIII, Part A: Impact Aid

Area 5–I: Title IX: General Provisions

- Task 5–I(1) – Title IX: General Provisions
- Task 5–I(2) – Title IX: Unsafe School Choice

Area 5–J: Title X: Amendments, Repeals, and Re-designations to Other Statutes

- Task 5–J(1) – Title X, Part C: Homeless Education

Area 5–K: Cost of administering NCLB not covered under any other Components

- Task 5–K(1) – Reporting requirements, other administration and communication