

**REPORT OF THE
BOARD OF EDUCATION**

**Final Report on the Costs of the
Federal No Child Left Behind Act
(September 28, 2005)**

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



HOUSE DOCUMENT NO. 61

**COMMONWEALTH OF VIRGINIA
RICHMOND
2005**



COMMONWEALTH of VIRGINIA

DEPARTMENT OF EDUCATION

P.O. Box 2120

Richmond, Virginia 23218-2120

JO LYNNE DEMARY, Ed.D.
Superintendent of Public Instruction

Office: (804) 225-2023
Fax: (804) 371-2099

September 28, 2005

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

The Honorable H. Russell Potts, Jr.
Chairman, Senate Education & Health
Committee
Virginia General Assembly
14 North Braddock Street
Winchester, Virginia 22601-4120

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

The Honorable Robert Tata
Chairman, House Education
Committee
Virginia General Assembly
4536 Gleneagle Drive
Virginia Beach, Virginia 23462

Dear Sirs:

Pursuant to Item 144, paragraph E.5.c., of the Appropriation Act (Chapter 951, 2005 Acts of Assembly), the Department of Education is required to report on the status of its effort to estimate the cost impact of the federal No Child Left Behind (NCLB) Act. Chapters 11 and 13, 2005 Acts of Assembly, also require the department to "examine the fiscal and other implications for the Commonwealth and its local governments in the event that Virginia continues its compliance with, or withdraws from participation in, the federal No Child Left Behind (NCLB) Act. The Board of Education "shall convey its findings from such examination to the House Committees on Education and Appropriations and the Senate Committees on Education and Health and Finance no later than October 1, 2005."

At its meeting on September 21, 2005, the Virginia Board of Education reviewed two reports, one of which outlined the fiscal requirements of NCLB related to the department, and one which outlined the fiscal requirements of NCLB related to the local school divisions in Virginia. Both reports were approved for submission to the General Assembly and are included as attachments to this correspondence.

The Honorable John H. Chichester
The Honorable H. Russell Potts, Jr.
The Honorable Vincent F. Callahan, Jr.
The Honorable Robert Tata
September 28, 2005
Page Two

I thank each of you very much for working with the department during the period under which these studies were undertaken and finalized. 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 Michelle Vucci, director of policy, (804) 371-0558.

Sincerely,



Jo Lynne DeMary
Superintendent of Public Instruction

JLD/MMV/cb

Attachments

C: The Honorable Mark R. Warner
The Honorable Peter A. Blake
The Honorable Emmet W. Hanger, Jr.
The Honorable R. Steven Landes

TABLE OF CONTENTS

EXECUTIVE SUMMARY ii

PART I: INTRODUCTION 1

PART II: SCOPE AND METHODOLOGY 2

 Cost Structure 2

 Determination of State Costs 2

 Limitations of the Study 4

PART III: STATE-LEVEL FINDINGS 5

 COMPONENT 1A: STANDARDS AND ASSESSMENTS 5

 COMPONENT 1B: ACCOUNTABILITY SYSTEM 10

 COMPONENT 2A: TECHNICAL ASSISTANCE AND SUPPORT SYSTEMS 12

 COMPONENT 2B: SCHOOL CHOICE AND SUPPLEMENTAL SERVICES 15

 COMPONENT 3: HIGHLY QUALITY EDUCATORS 17

 COMPONENT 4: NCLB DATA MANAGEMENT 20

 COMPONENT 5: ADMINISTRATION OF NCLB AND TITLE PROGRAMS 22

 SUMMARY OF VIRGINIA’S STATE-LEVEL COSTS REQUIRED FOR COMPLIANCE WITH
NCLB 23

PART IV: FEDERAL NCLB REVENUES COMPARED WITH STATE-LEVEL COSTS IN
VIRGINIA 24

PART V: CONCLUSIONS 26

LEGISLATIVE MANDATE – 2005 GENERAL ASSEMBLY 27

EXECUTIVE SUMMARY

The Virginia Department of Education (DOE) undertook to study the state agency and local school division costs of the 2001 “No Child Left Behind Act” (NCLB) in response to actions taken by the 2004 and 2005 General Assembly. Concurrently, the DOE joined a consortium of state departments of education, sponsored by the Council of Chief State School Officers (CCSSO) to develop a coordinated approach for analyzing the costs of NCLB for multiple states. The CCSSO contracted with Augenblick, Palaich and Associates (APA) to develop the model framework for states and local divisions to use to determine the activities and costs to implement NCLB.

The CCSSO initiative takes a two-part approach: first, states identify the costs of NCLB to the State Education Agency or SEA (in Virginia, the Department of Education) and, secondly, the Local Education Agencies or LEAs (in Virginia, local school divisions) determine their costs of implementing NCLB. This report, presented to and approved by the Board of Education, contains the findings on NCLB costs to the Virginia Department of Education. A separate, second report, issued concurrently, sets out the NCLB costs to Virginia’s LEAs.

Working with APA, the states participating in the CCSSO cost consortium broke the requirements of NCLB into seven major components for purposes of determining costs to both the SEAs and LEAs. All states participating in the NCLB cost consortium agreed to use the following major components: 1) Standards and Assessments; 2) Accountability; 3) Technical Assistance; 4) School Choice and Supplemental Services; 5) High-Quality Educators; 6) NCLB Data Management; and 7) Administration of NCLB and Title Programs.

Prior to the implementation of NCLB, Virginia had already established its own system of accountability. The Constitution of Virginia requires the Board of Education to determine and prescribe standards of quality for the public schools of Virginia, subject to revision only by the General Assembly. These codified standards, known as the Standards of Quality (SOQ), include requirements for Standards of Learning (SOL), teacher licensing, school accreditation, and student achievement. In 1995, the Virginia Board of Education (Board) took action to reform Virginia’s public education system by identifying what students should learn, regularly assessing student achievement in key areas, and making schools accountable for student achievement. The first statewide SOL tests were administered in the spring of 1998.

NCLB is not a new federal program but an overlay of new requirements on many existing federal programs, with additional funds provided to help states make the transition to an environment of annual student achievement tests. In Virginia, NCLB overlaid the state’s well-established, statewide system of assessment, accountability and support. It also presented reporting challenges to the Commonwealth because of differences between the existing state accreditation requirements and the federal measure of Adequate Yearly Progress (AYP). As a result, since the passage of NCLB, Virginia has been blending its accountability system with the requirements of NCLB, a process that has been administratively challenging to both state and local administrators and to the public.

Virginia’s approach to determining the SEA costs related to NCLB entailed building three “tiers” of costs. First, the budget for each division within the SEA for the base fiscal year, 2004-2005, was developed for both personal and nonpersonal services (Tier I). Next, staff determined what costs were NLCB-related costs and eliminated all non-NCLB-related costs (Tier II). Finally, staff determined what Tier II costs were truly new costs as a result of NCLB, that is, costs resulting from activities that DOE would not have undertaken at any time except for NCLB requirements (Tier III). The final Tier III costs for the SEA were then assigned to the applicable cost structure components.

Because the state-level data collection method differed somewhat from that developed by APA, Virginia collaborated directly with APA on the study methodology. APA reviewed the final SEA study methodology and this report and found that the data collection method and the placement of the data in the CCSSO/APA cost structure is sound and consistent with the intended purpose of the component structure.

The figures presented in this report present estimates only, not precise expenditures or revenues. The cost study found that total estimated SEA costs for NCLB are covered by total projected federal revenues for the measurement period of the study. The major cost components were:

- Standards and Assessments, as a result of the new testing requirements under NCLB;
- Administration of NCLB and Title Programs, which includes the Reading First program, 21st Century Community Learning Centers, and English Language Proficiency;
- High Quality Educators, including data management activities and continuation of initiatives to develop and support high quality teachers and principals; and
- Technical Assistance for LEAs and Schools, including the development of strategies to help schools avoid falling into "in improvement status" and to assist LEAs with schools "in improvement status."

Because of the 2014 requirement for 100 percent student proficiency and because NCLB implementation decisions continue to be made as the result of waiver requests and other national issues, the results presented here could and most likely will change over time. Unanticipated needs at both the state and local level could quickly eradicate the modest surpluses found in this study. The SEA’s ability to cover all estimated costs with available NCLB federal revenues is predicated upon its having the flexibility to use federal revenues to meet related needs across NCLB Title programs.

PART I: INTRODUCTION

In 2004, pursuant to Item 144, paragraph E.5.b., of the 2004 Appropriation Act (Chapter 4, 2004 Acts of Assembly, Special Session I), the General Assembly required the Superintendent of Public Instruction to report on the status of the Virginia Department of Education's effort to estimate the cost impact of the federal "No Child Left Behind" (NCLB) Act. In 2005, the General Assembly passed Senate Bill 1136 and House Bill 2602 requiring the state Board of Education to examine the fiscal implications of NCLB at the state level and at the local level. The legislation requires the Board to report its findings to the House Committees on Education and Appropriations and the Senate Committees on Education and Health and Finance no later than October 1, 2005.

In the spring of 2004, the Department of Education (DOE) joined a consortium of state departments of education sponsored by the Council of Chief State School Officers (CCSSO). 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. This consortium was formed to develop a coordinated approach for analyzing the costs of NCLB for multiple states. Virginia was one of a number of states that participated in this consortium.

The purpose of this NCLB cost consortium was to enable states to pool resources to estimate the cost of implementing the requirements of NCLB and to develop a consistent approach to doing so. The CCSSO contracted with Augenblick, Palaich and Associates, Inc. (APA) to develop a model framework for states to 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 CCSSO's use of a third party also brought independent objectivity to the process.

The CCSSO initiative takes a two-part approach: first, states identify the costs of NCLB to the State Education Agency or SEA (in Virginia, the Department of Education) and, secondly, the Local Education Agencies or LEAs (in Virginia, local school divisions) determine their costs of implementing NCLB. This report, presented to and approved by the Board of Education, contains the findings on NCLB costs to the Virginia Department of Education. A separate, second report issued concurrently, sets out the NCLB costs to Virginia's LEAs.

PART II: SCOPE AND METHODOLOGY

Cost Structure

Working with APA, the states participating in the CCSSO study broke the requirements of NCLB into seven major components for purposes of determining costs to both the State Education Agencies (SEAs) and local education agencies (LEAs). All states participating in the NCLB cost consortium agreed to use the following major components for costing out NCLB requirements:

Standards and Assessments
 Accountability
 Technical Assistance
 School Choice and Supplemental Services
 High-Quality Educators
 NCLB Data Management
 Administration of NCLB and Title Programs

Each of the seven components is subdivided into Areas, Areas are subdivided into Tasks, and Tasks are subdivided into Activities. Since the component structure reflects the combined work of all of the states, Virginia did not always identify costs in each of the Areas and Tasks identified but, rather, focused on those applicable to Virginia. However, Virginia did adhere to the overall structure down to the Task level and the SEA identified all of the Activities required to implement pertinent Tasks. Where staff identified no Activities, this was noted on the detailed spreadsheets. The list of Components, Areas, Tasks, and Activities for the SEA was submitted to the General Assembly in December of 2004. (Please note: The following link provides more information: [Virginia SEA listing of Components, Areas, Tasks, and Activities.](#))

This structure allows affected entities to develop their NCLB costs from the lowest level Activity and roll these costs up to the Task, Area, and Component levels. Given its size and organizational structure, the SEA, however, decided that it would produce more reliable data by modifying its data collection approach. It chose to generate budgets for the agency and each of its divisions using 2004-2005 as the base year and then working down from these budgets to identify new NCLB costs and assign these costs to the Task, Area, and Component levels.

Determination of State Costs

The Constitution of Virginia requires the Board of Education to determine and prescribe standards of quality for the public schools of Virginia, subject to revision only by the General Assembly. These codified standards, known as the Standards of Quality (SOQ), include requirements for Standards of Learning (SOL), teacher licensing, school accreditation, and student achievement. In 1995, the Virginia Board of Education (Board) took action to reform Virginia's public education system by identifying what students should learn, regularly assessing student achievement in key areas, and making schools accountable for student achievement. The Board approved Standards of

Learning in English, history and social science, mathematics, and science for grades kindergarten through twelve, and technology Standards of Learning to be achieved by the end of grades five and eight. In addition, the Board began implementing a statewide system of assessment to measure student achievement and based school accreditation upon testing results. The first statewide SOL tests were administered in the spring of 1998.

Since then, Virginia has continued to develop and refine its accountability system. Concurrently, it participated in numerous federal grant programs that supported public education throughout the country. In 2001, Congress passed the No Child Left Behind Act (NCLB) that required states to ensure that all students achieve high standards, through attaining 100 percent proficiency in reading/language arts and mathematics by 2013-2014. Because of its rigorous SOL testing requirements for NCLB core subjects (i.e., English, mathematics, and science), Virginia was already focusing on the importance of student achievement.

NCLB is not a new federal program but an overlay of new requirements on many existing federal programs, with additional funds provided to help states make the transition to an educational environment of annual student achievement tests. In Virginia, NCLB overlaid the state's well-established, state system of assessment, accountability and support. It also presented reporting challenges to the Commonwealth because of existing state accreditation requirements and the federal measure of Adequate Yearly Progress (AYP). As a result, since the passage of NCLB, Virginia has been blending its accountability system with the requirements of NCLB, a process that has been administratively challenging to both state and local administrators and to the public. Because of this "blending" of state and federal reporting systems, the Commonwealth decided that determining *true, new costs* to Virginia of NCLB required a multi-step approach, in line with the efforts of the CCSSO cost consortium.

Virginia's approach to determining the SEA costs related to NCLB entailed building three "tiers" of costs. First, the budget for each division within the SEA for the 2004-2005 fiscal year was examined for both personal and nonpersonal services. The examination of personal services included an application of benefit rates. Nonpersonal services were reviewed in terms of the nature of the services (contracts, grants to LEAs, training activities). Federal revenues were captured by award year, using the 2004-2005 state fiscal year and corresponding federal fiscal year as the base. An overhead rate was applied to all new NCLB costs identified in the SEA report in order to capture costs related to the provision of general administrative support to NCLB.

The fiscal year 2004-2005 budget was projected out for three fiscal years through 2007-2008. For each fiscal year after 2004-2005, the previous year was used as the base, with the addition of any anticipated, new positions, plus costs for any new initiatives or requirements that are to be implemented, as well as any reductions in funds as a result of reallocations or the end of a specific grant. In each year, the projected budget was inflated to accommodate changes in benefit rates and general inflationary trends, where applicable. This total budget became the first tier (Tier I). Each division's Tier II budget was then developed through discussion with key program staff to determine which costs and associated personnel were NCLB-related costs. At this point, all other

non-NCLB costs were eliminated from the division's budget for the purposes of this study. Once the Tier II budget was developed, each division's Tier III budget was developed, also based on discussions with program staff, on what costs were true, new costs as a result of NCLB, i.e., activities (and the resources needed to accomplish them) that DOE would not have undertaken at any time except for NCLB requirements.

The final Tier III costs for DOE were then assigned to the applicable cost structure Components, Areas, Tasks, and Activities. These costs are shown in Part III of this study.

Part IV of the study compares federal revenues directly related to state-level costs in Virginia. These revenues use the U. S. Department of Education (USED) NCLB grants approved for Virginia in federal fiscal year 2004-2005 and apply a three percent growth rate to those amounts for subsequent years. In all years, the numbers reflect the same SEA "set aside" for administrative costs as those approved for Virginia in state fiscal year 2004-2005. The revenues shown in Part IV are based upon the state/federal fiscal year award amount and do not take into consideration those federal grants "carried over" for expenditure in future years. The federal grants shown in Part IV mirror the federal grants identified by USED as being directly linked to NCLB.

Limitations of the Study

All costs contained in this study represent a "snapshot in time" using the SEA's budget for 2004-2005 as the base year and do not represent an audit of state NCLB costs. The study uses a conservative approach in estimating state costs incurred as a result of NCLB. It does not capture every single cost in state and federal dollars but focuses on documenting significant new costs to the SEA from 2004 through 2008. Because NCLB overlaid Virginia's established and strong accountability system, the study does not document Virginia's original costs in developing its accountability system. Rather, the study documents only those new estimated costs resulting from NCLB. The study focuses only on cost and does not evaluate any aspect of NCLB's programs or policies in Virginia.

Finally, this study is not an "adequacy" study; that is, it does not project the costs to the state of 100 percent student achievement of proficiency in reading/language arts and mathematics by 2013-2014 as required by NCLB.

PART III: STATE-LEVEL FINDINGS

As described in Part II, the summaries of the component costs in this section are based on the Tier III budgets developed for each division within the SEA and then distributed among the appropriate NCLB components.

COMPONENT 1A: STANDARDS AND ASSESSMENTS

COMPONENT 1A – STANDARDS AND ASSESSMENTS SUMMARY SHEET— NCLB COSTS OVER TIME				
© Augenblick, Palaich and Associates, Inc.				
MAJOR AREA	Year One 07/04-06/05	Year Two 07/05-06/06	Year Three 07/06-06/07	Year Four 07/07-06/08
Create and administer assessments for Reading	\$2,686,052	\$2,690,250	\$2,815,229	\$2,922,708
Create and administer assessments for Math	\$3,282,953	\$3,288,083	\$3,440,836	\$3,572,198
Create assessments for Limited English Proficient students (LEP)	\$241,807	\$372,910	\$497,788	\$772,453
Create alternative assessments for eligible Special Education students	\$1,091,036	\$1,405,914	\$950,806	\$979,865
Standards and Assessments TOTAL COST	\$7,301,848	\$7,757,157	\$7,704,659	\$8,247,224

This component includes the two major elements needed to build a statewide accountability system for public education: the content standards for student achievement, and the assessments that measure the levels of that achievement.

Standards and Assessments

At the time that NCLB was enacted, Virginia had already developed and implemented its own content standards of student achievement, the Standards of Learning (SOL). The following table shows the tests Virginia was administering prior to NCLB (note: high school SOL tests are considered “end of course” tests that provide verified credits towards graduation) as well as how NCLB has affected Virginia’s SOL test structure.

VIRGINIA DEPARTMENT OF EDUCATION

Virginia Standards of Learning Tests Pre-NCLB		Virginia Standards of Learning Tests Post-NCLB	
GRADE	SOL TESTS	GRADE	SOL TESTS
3	English Mathematics History and Social Science Science	3	English: Reading Mathematics History and Social Science Science
4	N/A	4	English: Reading Mathematics Mathematics (Plain English Math)
5	English: Reading English: Writing Mathematics Mathematics History and Social Science Science	5	English: Reading English: Writing Mathematics Mathematics (Plain English Math) Science
6	N/A	6	English: Reading Mathematics Mathematics (Plain English Math)
7	N/A	7	Mathematics Mathematics (Plain English Math)
8	English: Reading English: Writing Mathematics History and Social Science Science	8	English: Reading English: Writing Mathematics History and Social Science Science
High School	Algebra I Algebra II Geometry Earth Science Biology Chemistry World History (I) to 1500 A.D. World History (II) from 1500 A.D. to the present Virginia and U.S. History World Geography	High School	Algebra I Algebra II Geometry Earth Science Biology Chemistry World History (I) to 1500 A.D. World History (II) from 1500 A.D. to the present Virginia and U.S. History World Geography
Content Specific Tests (not grade specific or related to NCLB)	Virginia Studies U.S. History to 1877 U.S. History from 1877 to present Civics and Economics	Content Specific Tests (not grade specific or related to NCLB)	Virginia Studies U.S. History to 1877 U.S. History from 1877 to present Civics and Economics

Before the passage of NCLB, Virginia was administering SOL tests for grades three, five, and eight, which were cumulative in nature. In order to meet NCLB requirements, not only did English and mathematics tests for grades four, six, and seven have to be developed, but also the existing tests for

grades three, five, and eight had to be modified to address grade-specific content. The costs to develop annual tests for grade four, six, and seven are considered new costs because NCLB requires annual testing in grades three through eight for reading and mathematics by 2005-2006 and at least one time each in science in elementary, middle, and high schools by 2007-2008. In addition to test development, there are also additional costs for testing and scoring these annual assessments included in this study.

Virginia was already meeting the NCLB science requirement (i.e., by 2007-2008, all states must administer science tests in at least one grade level in elementary, middle, and high school) except for the provision of the test in plain language format for limited English proficiency (LEP) students. Costs of developing the plain language science tests are also considered new NCLB costs.

Assessments for Students with Disabilities

The NCLB Act requires that all students, including those with disabilities, be assessed on statewide accountability measures for the purpose of measuring Adequate Yearly Progress (AYP). The federal Individuals with Disabilities Education Act (IDEA) and NCLB require states to create alternative assessments for students unable to take the general statewide assessments and directs that these alternative assessments yield results for the grade in which the student is enrolled in at least reading/language arts, mathematics, and, beginning in the 2007-2008 school year, science.

As a result of these requirements, Virginia has made substantial changes to the testing options it offers to students with disabilities and now tests annually instead of every three years, which was the schedule prior to NCLB. Students with disabilities now have several options for participating in the regular state accountability assessments, as described below.

1. Students may participate in the SOL with no accommodations or they may participate in the SOL assessments with standard or non-standard accommodations. Providing these test accommodations can be costly. Because of the increased frequency of testing under NCLB, Virginia has incurred new costs in this area.
2. A student who does not receive instruction in the areas of English, mathematics, science, and history based on the Virginia Standards of Learning may qualify to participate in the Virginia Alternate Assessment Program (VAAP), which was developed as a result of the IDEA amendments of 1997. The VAAP is designed to evaluate the performance of students who have traditionally been excluded from statewide testing programs by extending accountability and reform to these students. Participation in VAAP is determined on an individual basis by an Individualized Education Program (IEP) team. A student with significant cognitive disabilities may take this test to measure performance against alternative achievement standards.

3. A relatively small number of students with disabilities may be eligible to participate in the Virginia Substitute Evaluation Program (VSEP) as a means of verifying high school credits towards graduation. VSEP is an assessment system based on a student's work sample collection of evidence and is designed for students working on SOL-based curriculum and needing accommodations not allowed on SOL assessments. Virginia anticipates an increase in the VSEP tests in the coming years. The extent of this increase is not known and the fiscal implications cannot be determined at this time.
4. Finally, students with disabilities in grades 3 through 8 may take alternative assessments that measure grade level content—the Virginia Grade Level Alternative (VGLA). This test, which was first administered in the spring of 2005, requires students to demonstrate individual achievement of grade level content standards as presented in SOL test blueprints. Virginia developed this test directly in response to NCLB; therefore, development and administration of the test have been classified as a new cost.

Under NCLB, each of these assessment options requires potential participants to meet specific criteria. States are required to report separately on the percentage of students with disabilities taking alternate assessments (e.g., VAAP) that are measured against alternate academic achievement standards, and the percentage of students with disabilities taking alternate assessments that are measured against regular achievement standards.

The requirements of NCLB have increased the complexity and frequency of testing of Virginia students with disabilities. Additional resources will be needed to fund these tests in future years.

Assessments for Students with Limited English Proficiency

Prior to NCLB, Virginia's accountability system also provided exemptions to SOL testing to students identified as limited English proficient (LEP), within certain guidelines. NCLB requires additional forms (plain language) of the tests for grades three through eight for certain LEP students and requires that all LEP students be tested for proficiency.

Standard Setting

As a result of the implementation of new tests and testing procedures under NCLB, Virginia will also have to set new standards for these tests beginning in 2005-2006. The nature of the standard setting is still under consideration at this time and no cost estimates are available.

Summary

The cost analysis found that, for the study period of 2004-2008, the new costs of annual assessments as a result of NCLB were incurred in the following areas:

Initiative	Descriptor
Testing for Additional Grades	New annual tests for grades four, six, and seven in reading and math.
Plain Language Tests and Stanford English Language Proficiency Test (SELP)	New tests for LEP students in mathematics and science. Costs related to the SELP test include the annual development of new forms as well as the costs for administration, scoring, and reporting where the SELP test is used as a proxy for the SOL.
Alternative Assessments Testing	New alternative tests for Special Education students.
Special Forms	Forms (i.e. Braille, large print and audio).

COMPONENT 1B: ACCOUNTABILITY SYSTEM

COMPONENT 1B – ACCOUNTABILITY SUMMARY SHEET— NCLB COSTS OVER TIME				
© Augenblick, Palaich and Associates, Inc.				
MAJOR AREA	Year One 07/04-06/05	Year Two 07/05-06/06	Year Three 07/06-06/07	Year Four 07/07-06/08
Create a comprehensive NCLB Accountability system	\$25,469	\$26,008	\$26,910	\$27,784
Create and disseminate AYP accountability reports	\$110,368	\$112,702	\$116,609	\$120,399
Determine annual AYP status of schools, districts, and state	\$113,198	\$115,591	\$119,599	\$123,487
Train district and school staff to interpret AYP data	\$33,959	\$34,677	\$35,880	\$37,046
Accountability TOTAL COST	\$282,994	\$288,978	\$298,997	\$308,716

Accountability refers to the design and operation of a system by which schools and school divisions are evaluated in relation to standards of achievement. Under the current accountability system (established in Virginia prior to the enactment of NCLB), schools are accredited based upon the passage rate for tests in the four areas (i.e., English, mathematics, science, and history/social studies) for elementary, middle, and high schools. NCLB requires that states report student performance information in terms of the AYP for students and subgroups of students in reading and mathematics at the school, division, and state levels. By 2014, all students must demonstrate 100 percent proficiency in reading and mathematics. In Virginia, participation in and performance on SOL tests in reading and mathematics will be the primary measure for determining AYP. In order for AYP to be met in accordance with Annual Measurable Objectives (AMOs) determined by Virginia and the USED, students in all subgroups must be tested and meet AMOs through test performance and participation.

Virginia had completed the initial development of an AYP measurement methodology and corresponding reporting mechanisms prior to the cost study’s base year. However, the resources needed to implement the continuing evolution of AYP represent ongoing, new NCLB costs to the state. Presumably, once AMOs reach 100 percent by 2013-2014, the state will still require ongoing resources to determine annual AYP for Virginia schools. In addition, the SEA provides technical assistance to LEAs regarding the collection and use of AYP data.

NCLB requires that test data and student data collected at testing be assembled and reported in greater and different detail and in different formats from that which Virginia was using under its own accountability system. Virginia was collecting data on student test pass rates in order to evaluate and determine individual school accreditation. NCLB’s data collection system is based on the determination of AYP. This has affected not only Virginia’s data management activities, but

also its entire assessment program. Since these USED requirements continue to change, Virginia is incurring ongoing costs in complying with these requirements. It is also working to more closely align its existing system of accreditation with AYP.

Summary

The cost analysis found that, for the study period of 2004 to 2008, the new costs of accountability as a result of NCLB were incurred in the following areas:

Initiative	Descriptor
System development	Ongoing system development and modification of accountability system.
AYP Calculation	Determining AYP status and disseminating reports.
Technical Assistance to LEAs	Training local division and school staff to interpret AYP reports.

COMPONENT 2A: TECHNICAL ASSISTANCE AND SUPPORT SYSTEMS

COMPONENT 2A – TECHNICAL ASSISTANCE FOR LEAs AND SCHOOLS SUMMARY SHEET— NCLB COSTS OVER TIME				
© Augenblick, Palaich and Associates, Inc.				
MAJOR AREA	Year One 07/04-06/05	Year Two 07/05-06/06	Year Three 07/06-06/07	Year Four 07/07-06/08
Create a technical assistance and support system for LEAs and schools	\$29,957	\$29,996	\$30,912	\$30,788
Provide technical assistance and support for LEAs	\$1,323,813	\$1,450,516	\$1,474,593	\$1,491,532
Develop a state recognition program for schools and educators	\$618,000	\$618,000	\$618,000	\$618,000
School Improvement Strategies TOTAL COST	\$1,971,770	\$2,098,513	\$2,123,506	\$2,140,320

In its work with the CCSSO, APA has defined this component in the following manner: under NCLB, Technical Assistance for LEAs and schools describes the services that the state provides to LEAs and Title I schools that do not meet AYP and are, therefore, classified in one of five status levels (i.e., schools in need of improvement – year one, schools in need of improvement – year two, schools requiring corrective action, schools planning for restructuring, and schools that are restructuring). NCLB specifies the different actions that must be taken by the SEA or the LEA to address school improvement for each status level.

Prior to NCLB, Virginia had an accountability system in place through the Board of Education’s Standards of Accreditation (SOA) and accredited its public schools based on benchmarks of student performance on SOLs. The SEA has been conducting academic reviews for divisions that have difficulty meeting accreditation benchmarks. To strengthen the academic review process, beginning with the 2004-2005 school year, the state implemented a new system of conducting academic reviews, consisting of three tiers, described as follows:

Review Classification	Characteristics of Schools – State Accreditation	Characteristics of Schools – AYP Purposes	Other Information
Tier I	Any school warned in the same content area in either of the past two years or any school warned in three or more content areas	Title I school warned in English and/or mathematics that did not meet AYP	School could meet either state or AYP conditions for Tier I review

Review Classification	Characteristics of Schools – State Accreditation	Characteristics of Schools – AYP Purposes	Other Information
Tier II	Any school warned in science and/or history/social sciences with a pass rate more than 14 points lower than that required for full accreditation	Title I school warned in English and/or mathematics that did not make AYP or Non-Title I school warned in English and/or mathematics that did not make AYP	School could meet either state or AYP conditions for Tier II review
Tier III	Any school warned in science and/or history/social science with pass rate within 14 points of that required for full accreditation or Non-Title I school warned in English and/or mathematics that did not make AYP	None	N/A

Tier I is the most costly academic review for the state to administer followed by Tiers II and III. Tier I is the only Tier that is defined as a new cost to the SEA under the parameters of this study.

In 2004-2005, a total of 198 schools were under academic review. Of these, 32 or 16 percent were Title I low-performing schools in Tier I. Costs associated with Tier I reviews of Title I schools are deemed to be new NCLB-related costs.

Of the 765 Title I schools in Virginia, 111 or 15 percent were classified as "in improvement status" schools in the 2004-2005 school year. The state anticipates that more schools could move into this status with the new testing standards for students with disabilities are implemented and, possibly, in 2007-2008, when the AMOs currently approved for Virginia change. The SEA projects an increase in the demand for academic reviews in 2005-2006 and again in years subsequent to the measurement period for this study, even though best practices are being refined and internal efficiencies achieved. With the increase in AMOs, those divisions exiting review will be replaced by others having difficulty making AYP.

There are additional new costs tied directly to technical assistance related to consultants and evaluators to develop strategies to help schools avoid "in improvement status." Through these programs, the SEA provides direct technical assistance and support to LEAs with schools "in improvement status", to LEAs with schools not yet incurring improvement status designations, and to LEAs with schools not receiving Title I funding.

New NCLB costs to the state in this component also include the administration of Title I Distinguished Schools and Title I Distinguished Educators recognition programs. Under NCLB, states must establish a program to recognize schools that significantly close the achievement gap and exceed AYP targets for two more consecutive years. States must also recognize and provide awards to teachers teaching in distinguished schools. The amount of federal funding set aside for these programs varies depending upon the level of Title I SEA funding available. For the purposes of this study, the level of funding provided for these programs is expected to remain static over the measurement period.

In the area of technical assistance, the Virginia General Assembly has provided state funding for an initiative that is directly linked to NCLB. The Partnership for Achieving Successful Schools (PASS) is a statewide initiative that fosters intense community involvement with schools having difficulty reaching targeted levels of academic performance through partnerships with the community. For fiscal year 2005-2006, state funding of approximately \$274,000 is provided. Because state funding has been earmarked to fund this initiative, it is not categorized as a new NCLB cost within the parameters of this study.

Summary

The cost study found that, in the area of technical assistance to LEAs, the major new NCLB costs to Virginia were in the following areas:

Initiative	Descriptor
Technical assistance/Academic Review	Assistance for schools "in improvement status."
Recognition program	Title I Distinguished Educators and Title I Distinguished Schools.

COMPONENT 2B: SCHOOL CHOICE AND SUPPLEMENTAL SERVICES

COMPONENT 2B – SCHOOL CHOICE AND SUPPLEMENTAL EDUCATION SERVICES SUMMARY SHEET— NCLB COSTS OVER TIME				
© Augenblick, Palaich and Associates, Inc.				
MAJOR AREA	Year One 07/04-06/05	Year Two 07/05-06/06	Year Three 07/06-06/07	Year Four 07/07-06/08
Create the school choice and supplemental education services system	\$118,786	\$125,090	\$520,427	\$520,231
Offer school choice	\$112,123	\$118,073	\$504,552	\$504,552
Offer supplemental education services	\$114,916	\$121,015	\$136,106	\$136,106
Administer Component 2B	\$38,318	\$40,352	\$45,384	\$45,384
Supplemental Education Services TOTAL COST	\$384,144	\$404,530	\$1,206,468	\$1,206,272

School Choice and Supplemental Services refer to NCLB stipulated consequences that the SEA and LEA must impose on Title I schools not meeting AYP. Schools in need of improvement, year one, must provide students attending the school with the option to attend another school, served by the LEA, that is not in improvement, and provide for transportation. Schools in need of improvement, year two, must continue to offer the year 1 option and offer supplemental education services to eligible students by providing tutoring, remediation, and academic services outside of the school day, using a provider list approved by the Board of Education, and sending parents an annual notice of approved services/providers. Schools in year three must undertake corrective actions including, but not limited to, school staff replacement and restructuring, in addition to continuing to offer the years one and two options.

The cost analysis found that, at the SEA level, all costs in implementing the NCLB requirements for supplemental education services and school choice for schools in improvement are new costs. The reason for this is that Virginia would not have structured technical assistance in this manner if NCLB did not require it. These costs cover the SEA’s provision of technical assistance to LEAs in meeting the school choice and supplemental education services requirements and providing training. It is likely that, in future years, the number of Virginia schools having difficulty making AYP will increase as AMOs change, thus increasing the need for SEA technical assistance to LEAs for school choice and supplemental services.

Virginia had already created an Electronic Classroom prior to NCLB as a means of providing distance learning to students where a qualified educator is unavailable or the number of qualifying

students is too few to justify employment of a full-time instructor. It is likely that the need for distance learning, delivered through means such as the Electronic Classroom, will increase as more schools have difficulty meeting AYP and more schools are required to offer public school choice (possibly via a “virtual” school choice option). In some rural areas of the state, where school choice is not a viable option, the Electronic Classroom or similar initiatives may be the only alternative for some students regarding school choice. In addition, some schools may also use the Electronic Classroom as a strategy to increase the achievement of “at risk” students.

Summary

The cost study found that the entire component of School Choice and Supplemental Education Services is a new NCLB cost to Virginia because of the way in which the service delivery must be structured. The major new NCLB costs were in the following areas:

Initiative	Descriptor
Development of School Choice and Supplemental Education Services programs	Create and offer these services, including expansion of Electronic Classroom as a school choice option.
Ongoing Technical Assistance to LEAs in implementing School Choice and Supplemental Education Services	Staff time projected to increase as more schools in the state acquire improvement status designations.

COMPONENT 3: HIGHLY QUALITY EDUCATORS

COMPONENT 3 – HIGH QUALITY EDUCATORS SUMMARY SHEET— NCLB COSTS OVER TIME				
© Augenblick, Palaich and Associates, Inc.				
MAJOR AREA	Year One 07/04-06/05	Year Two 07/05-06/06	Year Three 07/06-06/07	Year Four 07/07-06/08
Develop a High Quality Educator System	\$298,251	\$334,956	\$142,883	\$144,671
Ensure High Quality Teachers	\$1,142,471	\$1,320,599	\$1,146,590	\$1,189,436
Ensure High Quality Paraprofessionals	\$265,112	\$297,739	\$127,007	\$128,596
Ensure High Quality Principals and Other Administrators	\$248,543	\$279,130	\$119,069	\$120,559
Attract and Retain High Quality Educators	\$1,109,332	\$1,301,041	\$1,148,374	\$1,160,826
Reporting System for High Quality Educators	\$281,682	\$316,348	\$134,945	\$136,633
Administer Component 3	\$33,139	\$37,217	\$15,876	\$16,075
High Quality Educators TOTAL COST	\$3,378,530	\$3,887,031	\$2,834,743	\$2,896,795

NCLB requires that teachers of core academic subjects, hired after the first day of the 2003-2004 school year and teaching in a program supported with NCLB federal grant funds, must be “highly qualified.” SEAs must develop plans with targets that ensure that all teachers in the NCLB core academic subjects are “highly qualified” by the end of the 2005-2006 school year. Core academic subjects are defined under NCLB as English, reading or language arts, mathematics, science, foreign language, civics and government, economics, arts, history, and geography.

For Virginia, the term "highly qualified" used in reference to any public elementary, middle, or secondary school teacher in the core academic subjects means that the teacher holds full state licensure as a teacher, including licensure through alternate routes, and teaches only in the area or areas of endorsement. In addition, a teacher who is entering the profession through an alternate route program may meet the definition of a highly qualified teacher if the participant in the

program: (1) is permitted by the state to assume functions as a regular classroom teacher; (2) has a bachelor's degree; (3) has demonstrated subject matter competence by passing the state professional teacher assessments; and (4) is making satisfactory progress toward full licensure, as prescribed by the Board of Education.

Additional requirements for “highly qualified” also apply to special education teachers, paraprofessionals, and others who interact with students in public schools. These standards exceed those that were in place for Virginia Title I schools prior to NCLB. Therefore, costs to implement these standards are new, NCLB-related costs.

In 2002, Virginia began a series of Teacher Quality Enhancement initiatives, all of which were funded by a one-time, federal NCLB grant. These initiatives will continue through the measurement period of this study and beyond. Federal funds for these initiatives will not be available after January 2007 and additional resources will be needed to continue these programs.

Virginia has used the bulk of the funds for high quality educators to develop the Teacher Education and Licensure System (TEAL). TEAL I, which is the first phase of the system, compiles data on teacher education and licensure since, in order to determine if teachers are highly qualified, the state must track all approximately 93,000 state teachers and maintain data on their credentials. TEAL II, which will be developed by October 1, 2006, builds upon TEAL I and will track where state education graduates go for employment. The development of TEAL I and II was funded by the one-time federal grant noted above, which will be expended January of 2007. Additional resources will be needed to maintain the system in future years, once this grant has been expended.

In the area of high quality educators, the SEA has implemented several new initiatives, approved and funded with state revenues by the Virginia General Assembly. These initiatives are directly linked to NCLB but not considered true, new costs in the context of this study because state funding has been provided. The programs encompass a number of strategies designed to improve student achievement. These programs as described as follows:

Initiative Title	Descriptor	Estimated State Funding Level For Fiscal Year 2005-2006
Virginia Middle School Teacher Corps	This teacher corps reinforces the quality of mathematics instruction at the middle school level to prepare students for high school.	\$75,000
Turnaround Specialists	This program trains educators to become credentialed “turnaround specialists,” who will serve as principals of low-performing schools for a minimum of three years.	\$469,000

Summary

The study found that, in the area of high quality educators, the major new NCLB costs to the SEA were in the following areas:

Initiative	Descriptor
TEAL I (ongoing maintenance) and TEAL II (development and ongoing maintenance)	Data collection system to provide information on teachers and teacher quality.
Great Virginia Teach-In initiative	Statewide teacher recruitment and information conference.
Job Bank	On-line job bank and job application service.
Teachers of Promise	Provide prospective teachers with professional development experiences.
Teachers for Tomorrow	Efforts to attract and retain teacher candidates through exposure to the education curriculum in high school.

COMPONENT 4: NCLB DATA MANAGEMENT

COMPONENT 4 – NCLB DATA MANAGEMENT SUMMARY SHEET— NCLB COSTS OVER TIME				
© Augenblick, Palaich and Associates, Inc.				
MAJOR AREA	Year One 07/04-06/05	Year Two 07/05-06/06	Year Three 07/06-06/07	Year Four 07/07-06/08
NCLB – data management projects list	\$2,997,776	\$400,000	\$400,000	\$400,000
NCLB Data Management TOTAL COST	\$2,997,776	\$400,000	\$400,000	\$400,000

NCLB requires the SEAs and LEAs to collect, organize, report, and distribute large amounts of information about public schools, students, teachers, etc. This component includes both the software and hardware required to accomplish the NCLB data requirements.

Prior to NCLB, in 1998, Virginia committed to building an Education Information Management System (EIMS) over ten years to fully integrate all existing department data into one database and reporting system. The SEA placed the system specifications out for bid in 2003 and has scheduled completion of the basic system for 2013. Approximately 30 to 40 percent of the NCLB requirements were met with the existing database system but large parts of the database had to be redesigned, primarily because of disaggregation of subgroup data for determination of individual school AYP. With the approval of the USED, Virginia was able to shift some federal assessment grant awards to upgrade and expand EIMS through state fiscal year 2004-2005. Beginning in 2005-2006, the Virginia General Assembly has appropriated approximately \$3.25 million (excluding personnel costs) in general funds for this purpose. Because support of the EIMS system has been funded through state revenues, the costs related to this student information system are excluded from this analysis after fiscal year 2004-2005, the year in which the costs of the system were funded through federal revenues.

The new NCLB costs shown for this component do not include any expansion of the Standards of Learning web-based technology initiative, which was established before the implementation of NCLB. This initiative provides funding to local school divisions for assistance in the development of automated instructional and testing systems for the SOLs. The state issues bonds in order to provide the funds to school divisions and pays debt service on the bond issuance. The program is intended to provide automation to all elementary and secondary schools. As more schools become automated, testing administration efficiencies may be achieved at both the state and local level in future years.

Summary

The cost study found that, for NCLB data management, the major new NCLB costs to Virginia were in the following areas:

Initiative	Descriptor
Completion of projects list	Continuation of technical assistance to LEAs.

COMPONENT 5: ADMINISTRATION OF NCLB AND TITLE PROGRAMS

COMPONENT 5 – ADMINISTRATION OF NCLB AND TITLE PROGRAMS SUMMARY SHEET— NCLB COSTS OVER TIME				
© Augenblick, Palaich and Associates, Inc.				
MAJOR AREA	Year One 07/04-06/05	Year Two 07/05-06/06	Year Three 07/06-06/07	Year Four 07/07-06/08
Title 1: Improving the Academic Achievement of the Disadvantaged	\$3,485,716	\$4,017,078	\$4,046,211	\$4,010,415
Title III: Language Instruction for Limited English Proficient	\$363,670	\$419,108	\$422,147	\$424,912
Title IV: 21 st Century Schools	\$769,760	\$855,926	\$892,295	\$898,089
Title Programs & Administration TOTAL COST	\$4,619,147	\$5,322,111	\$5,360,653	\$5,333,416

This component includes the costs to the SEA of administering all programs included in NCLB that have not been reported in other components. This component includes the costs of personnel, contracts, and activities that could not easily be placed within a previous component.

For Virginia, new NCLB administrative costs included in this component are the Reading First program, 21st Century Community Learning Centers, the English Language Acquisition (Title III) grant, and the Safe and Drug-Free Schools grant.

Summary

The cost analysis found that, for the study period of 2004-2008, the major new costs of administration as a result of NCLB were incurred in the following areas:

Initiative	Descriptor
Reading First	Provides funds to train teachers in the essential components of reading and to select and administer screening, diagnostic and classroom-based instructional reading assessments to identify those children who may be at risk of reading failure. Funds are also provided for professional development for special education teachers, kindergarten through grade 12.
21 st Century Community Learning Centers	Provide academic enrichment opportunities along with activities designed to complement the students’ regular academic program. Community learning centers must offer families of these students literacy and related educational development.
English Language Acquisition	Provides funds for professional development and technical assistance related to teaching children who are limited English proficient.

SUMMARY OF VIRGINIA’S STATE-LEVEL COSTS REQUIRED FOR COMPLIANCE WITH NCLB

Virginia Department of Education Estimated New NCLB Costs Related to the Federal No Child Left Behind Act				
Component Summary	Year One 07/04-06/05	Year Two 07/05-06/06	Year Three 07/06-06/07	Year Four 07/07-06/08
Standards and Assessments	7,301,848	7,757,157	7,704,659	8,247,224
Accountability	282,994	288,978	298,997	308,716
Technical Assistance	1,971,770	2,098,513	2,123,506	2,140,320
Supplemental Services/School Choice	384,144	404,530	1,206,468	1,206,272
High Quality Educators	3,378,530	3,887,031	2,834,743	2,896,795
Data Management	2,997,776	400,000	400,000	400,000
NCLB Administration	4,622,812	5,345,826	5,385,468	5,411,147
TOTAL IDENTIFIED NEW NCLB COSTS	20,939,872	20,182,034	19,953,841	20,610,475

PART IV: FEDERAL NCLB REVENUES COMPARED WITH STATE-LEVEL COSTS IN VIRGINIA

Virginia Department of Education SEA Revenue Related to the Federal No Child Left Behind Act				
	Year One 07/04-06/05 Based on Actual Awards	Year Two 07/05-06/06 Estimation	Year Three 07/06-06/07 Estimation	Year Four 07/07-06/08 Estimation
<i>Summary of Title I Federal Grants Directly Related to NCLB – SEA Allocation</i>				
Title I: Academic Achievement of the Disadvantaged	1,955,885	2,016,700	2,079,405	2,144,060
Title I Part B – Reading First	3,385,647	3,490,917	3,599,460	3,711,378
Title I Part B – Even Start	208,982	215,480	222,180	229,088
Title I Part C – Migrant Education	7,996	8,245	8,501	8,765
Title I Part D – Neglected or Delinquent Children	0	0	0	0
Title I Part F – Comprehensive School Reform	275,410	283,973	292,803	301,907
Subtotal, Title I Grants	5,833,920	6,015,314	6,202,348	6,395,198
<i>Other NCLB Awards – SEA Allocation</i>				
Title II Part A – Improving Teacher Quality	1,807,741	1,863,949	1,921,904	1,981,662
One-Time Title II Teacher Quality Grant (to expire after Year Two) ¹	1,656,951	1,860,869		
Title III, Part B – Mathematics and Science Partnerships	119,403	123,116	126,944	130,891
Title II Part D – Enhancing Education Through Technology	516,723	403,994	416,555	429,507
Title IV Part B – 21 st Century Community Learning Centers	755,039	778,515	802,722	827,681
Title V Part A – Innovative Programs	1,039,131	1,071,441	1,104,755	1,139,105
Title IV Part A – State Assessments, Improving Academic Achievement	8,565,602	8,831,932	9,106,543	9,389,692
Title VI, Part B – Rural & Low-Income Schools	58,299	60,112	61,961	63,908
Title IV Part A – Safe & Drug-Free Schools & Communities	457,794	472,028	486,705	501,838
Title III, Part A – English Language Acquisition	363,670	374,978	386,637	398,658
Subtotal, Other NCLB Awards	15,340,352	15,840,932	14,414,745	14,862,942
TOTAL AVAILABLE FEDERAL RESOURCES²	21,174,273	21,856,246	20,617,093	21,258,139
TOTAL IDENTIFIED NEW NCLB COSTS³	20,939,872	20,182,034	19,953,841	20,610,475
SURPLUS/(SHORTFALL)	234,400	1,674,212	663,252	647,664

Footnotes:

¹This one-time grant (awarded in federal fiscal year 2002) is being used to fund a number of NCLB initiatives relating to high quality educators. It is anticipated that the initiatives will be continued in the out years once the grant funds have been expended. The federal revenue stream is higher in years one and two because of the inclusion of this one-time grant.

²The forecast shown here does not take into consideration the carryforward expenditure “window” for federal funding, with the exception of the Title II Teacher Quality grant noted in footnote 1. To summarize, federal grant monies carried forward between fiscal years are not included in this analysis. To forecast federal revenues, a 3% escalator has been used in years two through four. Fiscal year 2004-2005 SEA administrative set-aside percents are assumed to remain constant over the measurement period.

³Figures represent new NCLB costs – not the costs for programs implemented by the department that are related to NCLB and support the Commonwealth’s accountability system in place prior to the passage of NCLB.

The revenues shown in this chart represent the estimated SEA allocation to Virginia from all NCLB-related federal grants, including those that existed prior to the implementation of the Act. The costs represented in the chart are those true, new NCLB costs, without including those NCLB cost requirements that constitute an overlay of existing state accountability and support efforts. Revenues and costs are shown in this manner for the SEA because the department comprehensively re-aligned operations in order to implement a statewide system of support that effectively assimilated the requirements of NCLB with the SEA's existing state accountability system. All NCLB-related grants supported and continue to support this effort.

Federal revenues are estimated to increase by three percent each year. The three percent figure was derived through calculating the average increase between 2003 and 2004, using actual data supplied by the U.S. Department of Education (USED).

The figures in the chart show that, at the SEA level, estimated federal revenues are sufficient to cover the true, new NCLB projected costs for both the 2004-2006 biennium and for the 2006-2008 biennium. These figures aggregate all revenues and costs and do not examine resources at the individual federal program level. There may be instances where the resources of these discrete federal programs (i.e. Title VI, Part A – State Assessments) may not be sufficient to cover program expenditures now and in future years.

PART V: CONCLUSIONS

The cost study found that total estimated new SEA costs related to NCLB are covered by total projected revenues for the measurement period of the study. The results indicate that Virginia's SEA costs of complying with NCLB are funded at this time and should remain so for the foreseeable future. However, given the conservative methodology of the study, costs were not included that could not be documented or reasonably projected (e.g., full costs of new tests for grades four, six, and seven; costs associated with testing students with disabilities). Unanticipated needs at both the state and local level could quickly eradicate the modest surpluses found in the study. Additionally, as the 2014 NCLB requirement for 100 percent proficiency approaches, it is likely that Virginia's costs for compliance could rise at a faster rate as additional resources are needed to assist LEAs.

It is important to note that this study uses both objective data and professional judgment in the determination of true, new NCLB costs. The figures presented in this report present estimates only, not precise expenditures or revenues. Because NCLB implementation decisions continue to be made as the result of waiver requests and other national issues, the results presented here could and most likely will change over time. The SEA's ability to cover all estimated costs with available NCLB federal revenues is predicated upon its having the flexibility to use federal revenues to meet related needs across NCLB Title programs.

LEGISLATIVE MANDATE – 2005 GENERAL ASSEMBLY

CHAPTER 11 and CHAPTER 13, 2005 ACTS OF ASSEMBLY

An Act to direct the Board of Education to take certain actions regarding the Commonwealth's participation in the federal No Child Left Behind Act.

[House Bill 2602 and Senate Bill 1136]

Approved March 16, 2005

Be it enacted by the General Assembly of Virginia:

- 1.** *§ 1. That, pursuant to § 9401 of the federal No Child Left Behind Act (the Act), the Board of Education shall seek waivers from compliance with those provisions of the Act that are (i) in conflict with Title IX, Section 9527 (a), which prohibits federal authorities from mandating, directing, or controlling state or local allocation of resources and from mandating state or local expenditure of funds or incursion of any costs not paid for under the Act; or (ii) duplicative of the Commonwealth's existing educational accountability system as set forth in the Standards of Quality, Standards of Learning, and Standards of Accreditation; or (iii) lacking in effectiveness, including, but not necessarily limited to, those addressing (a) testing of students with disabilities or limited English proficiency; (b) additional or excessive testing; (c) exclusion of passing scores on expedited retakes of Standards of Learning assessments from calculations of adequate yearly progress; (d) measurement of adequate yearly progress based on, among other things, individual grade levels rather than longitudinal data and individual subgroup failures; (e) the overinclusion of certain students in several subgroups; and (f) components of the Commonwealth's educational accountability system and teacher licensure and employment requirements that, in the discretion of the Board, already substantially comply with the spirit and intent of the federal act.*
- 2.** That the Board of Education shall examine the fiscal and other implications for the Commonwealth and its local governments in the event that Virginia continues its compliance with, or withdraws from participation in, the federal No Child Left Behind Act. The Board shall convey its findings from such examination to the House Committees on Education and Appropriations and the Senate Committees on Education and Health and Finance no later than October 1, 2005.
- 3.** That an emergency exists and this act is in force from its passage.

The Cost of Fulfilling the Requirements of the No Child Left Behind Act for School Divisions in Virginia

Prepared By

Robert Palaich,
John Augenblick,
Justin Silverstein,
Amanda R. Brown

**Augenblick, Palaich and Associates, Inc.
Denver, Colorado**

September, 2005

Table of Contents

EXECUTIVE SUMMARY

FOREWORD AND ACKNOWLEDGEMENTS

PART I: INTRODUCTION

PART II: SCOPE AND METHODOLOGY

Cost Structure

Determination of Local Costs

Limitations of the Study

PART III: LOCAL SCHOOL DIVISION FINDINGS

Context and Overview

Albemarle County

Fairfax County

Fredericksburg City

Halifax County

Henrico County

Norfolk City

Roanoke County

Washington County

PART IV: STATEWIDE ESTIMATE OF LOCAL DIVISION NCLB COSTS

PART V: FEDERAL NCLB REVENUES COMPARED WITH
STATEWIDE PER PUPIL NCLB COSTS

Figure 1

Figure 2

PART VI: CONCLUSION

LEGISLATIVE MANDATE – 2005 GENERAL ASSEMBLY

EXECUTIVE SUMMARY

This report presents the findings of a study of the local costs of the federal No Child Left Behind Act (NCLB) in Virginia by Augenblick, Palaich and Associates, Inc. (APA), under contract for the Virginia Department of Education (VDOE). This report focuses on the school division level cost impact of NCLB since the federal legislation was enacted in 2001, with projections extending through 2007-08.

The statewide estimate for Virginia at the school division level indicates that the cost of implementing NCLB, using the definition described below, ranged from \$238 to \$267 million per year for the school years between 2003-04 and 2007-08. This represents a local dollar per pupil figure per year of between \$204 and \$219. When balanced against new NCLB revenues, this results in an unfunded per pupil cost of approximately \$53 per year. The \$53 estimate represents less than one percent of the statewide average total per pupil expenditure of \$8,552 in 2003-04.

Given the conservative assumptions of the study, these results indicate that Virginia's LEA costs of complying with NCLB are underfunded. As the 2014 NCLB requirement for 100 percent proficiency approaches, it is likely that Virginia's local school divisions' costs could increase at a faster rate as additional resources are needed to assist schools and students.

This study was undertaken in response to a request from the state legislature. In 2004, pursuant to Item 144, paragraph E.5.b., of the 2004 Appropriation Act (Chapter 4, 2004 Acts of Assembly, Special Session I), the General Assembly required the Superintendent of Public Instruction to report on the status of the Virginia Department of Education's effort to estimate the cost impact of the NCLB. In 2005, the General Assembly passed two pieces of legislation, Senate Bill 1136 and House Bill 2602, requiring the Virginia Board of Education to examine the fiscal implications of NCLB for both the state and local governments. The legislation required the Board to report its findings to the House Committees on Education and Appropriations and the Senate Committees on Education and Health and Finance no later than October 1, 2005.

For purposes of this study, the cost of NCLB is defined as the value of the resources – both time and materials – school divisions in the state need to:

- Implement the *explicit* requirements of NCLB that are related to accountability (including the development and implementation of school and school division performance standards, assessments to measure student performance, and consequences of not meeting performance expectations);
- Meet any *new* requirements of NCLB that go beyond what had been required under the previous reauthorization of the Elementary and Secondary Education Act (ESEA) – such as requirements about the qualifications of educators who work with students; and
- Administer all aspects of NCLB, including managing the numerous federal grant programs it supports.

Utilizing a series of Microsoft Excel-based templates, APA provided a detailed framework of NCLB requirements that school divisions must meet to comply with the law. The framework was drawn from a close reading of NCLB legislation and the regulations and non-regulatory guidance issued by the U.S. Department of Education. Finally, the framework was reviewed and modified by members of the Council of Chief State School Officers' NCLB Cost Consortium. It is organized around seven cost-driving NCLB *components* that APA has identified, including:

<i>Component 1A</i>	Standards and Assessments;
<i>Component 1B</i>	Accountability;
<i>Component 2A</i>	Technical Assistance for LEAs and Schools;
<i>Component 2B</i>	School Choice and Supplemental Services;
<i>Component 3</i>	High Quality Educators;
<i>Component 4</i>	NCLB Data Management; and
<i>Component 5</i>	Administration of NCLB and Title Programs.

The APA framework further breaks down these components into uniform subset *areas* and associated *tasks*. For instance, under Component 1A, there are a set of required areas which every school division must address regarding the alignment of curriculum and instruction with state standards and assessments for reading, math and science. Within these requirement areas, the framework further delineates a standard series of associated tasks, such as the need to develop and disseminate support materials and to train educators. School division staff – including division business officers and federal program directors – from eight school divisions representing each of the eight administrative and geographic regions of the Commonwealth of Virginia completed the templates that generated the estimates presented in this report.

Virginia’s local NCLB cost study has been conducted with commitment and diligence on the part of all those participating in the study. Nevertheless, it is important to reiterate that this study necessarily relies both on objective data and professional judgment. The resulting figures should therefore be treated as cost estimates, not as precise dollar specifications. Finally, because NCLB implementation decisions continue to be made – with ongoing changes in standards and assessments, student performance and AYP lists, sanctions, technical assistance needs, and other key cost areas — the results presented herein for fiscal year 2005-2006 and beyond may change as these new decisions take effect.

The report that follows describes how the underlying data were collected and shows how these figures were derived.

FOREWORD AND ACKNOWLEDGEMENTS

This report, which presents an estimate of new federal No Child Left Behind (NCLB) Act related costs to Virginia local education agencies (LEAs), is being released concurrently with a report that presents similar information for the Virginia state education agency (the Virginia Department of Education). Both studies grew out of an initiative of the Council of Chief State School Officers (CCSSO) that formed a consortium of state departments of education to develop a coordinated approach for analyzing the costs of NCLB for multiple states. The CCSSO contracted with Augenblick, Palaich and Associates, Inc. (APA) to develop the model framework for states and local divisions to use to determine the activities and costs to implement NCLB. Virginia, in turn, contracted with APA to undertake its LEA study and to review the methodology used for the state education agency study.

This report is the result of collaboration between APA, eight local school divisions, and the department. APA took the lead in training staff of the school divisions in determining their NCLB-related costs and in undertaking the analysis that resulted in per pupil costs for each division and for the state. The department acted as liaison and coordinator for the overall project and had final approval of the variables used for the statewide per pupil cost extrapolation. Each division prepared its own cost information using the APA guidelines and gave final approval on the cost information presented in this study. All per pupil amounts for each of the eight LEAs are presented using the cost information provided by the respective division, measured against student populations as determined by the department.

The department, working closely with the eight participating school divisions, provided APA with narrative information and with data used for the revenue/cost analysis shown in Part V of this report. Throughout the study, the department and participating school divisions worked closely with APA.

The majority of the work that resulted in this study, however, was conducted by staff of the eight participating school divisions. These divisions were Albemarle County, Fairfax County, City of Fredericksburg, Halifax County, Henrico County, City of Norfolk, Roanoke County, and Washington County. We are grateful to these eight divisions that agreed to participate in this study and to their staff who undertook a great deal of intense work in a short period of time, in addition to their already heavy workloads. This study could not have been produced without their efforts and we appreciate the tremendous contribution they have made to our understanding of this important issue.

The authors would like to acknowledge the contributions of the Council of Chief State School Officers (CCSSO) and the members of its NCLB Cost Consortium (of which Virginia is a member) for their contributions to the refinement of the data collection templates used in this study. In Virginia, the strong commitment of the Virginia Department of Education (VDOE) to the completion of this study was made possible by the State Superintendent of Public Instruction, Dr. Jo Lynne DeMary.

This report would not have been possible without the leadership, encouragement and logistical support of Assistant Superintendent Anne Wescott and Director of Policy Michelle Vucci. Ms. Vucci acted as the liaison between APA and the participating school divisions. In addition, Ms. Vucci provided APA data from the department regarding estimates of federal revenue that could be used to offset the cost of NCLB in local divisions. She was assisted in her work by Albert Ciarochi, a Ph.D. candidate and experienced educator, who helped author parts of this study. The superintendents of the eight participating school divisions gave permission for their divisions to

participate. Finally, deputy and assistant superintendents, business officials, federal program coordinators as well as principals and teachers worked for many hours to complete the data collection templates for each division. The local NCLB cost estimate would not have been possible without the contributions of these individuals. Thank you again for your efforts.

Finally, the authors would like to thank Dr. Dianne deVries for her contribution to the development of the local NCLB cost templates. Dale DeCesare edited this report.

PART I: INTRODUCTION

This report presents the findings of a study of the local costs of the No Child Left Behind Act (NCLB) in Virginia by Augenblick, Palaich and Associates, Inc. (APA), under contract for the Virginia Department of Education (VDOE). This report focuses on the school division level cost impact of NCLB since the federal legislation was enacted in 2001, with projections extending through 2007-2008. The study utilized a research methodology adapted by APA for the nonpartisan Council of Chief State School Officers (CCSSO) and its NCLB Cost Consortium, of which Virginia is a member.

For purposes of this study, the cost of NCLB is defined as the value of the resources – both time and materials – school divisions in the state need to:

- Implement the *explicit* requirements of NCLB that are related to accountability (including the development and implementation of school and school division performance standards, assessments to measure student performance, and consequences of not meeting performance expectations);
- Meet any *new* requirements of NCLB that go beyond what had been required under the previous reauthorization of the Elementary and Secondary Education Act (ESEA) – such as requirements about the qualifications of educators who work with students; and
- Administer all aspects of NCLB, including managing the numerous federal grant programs it supports.

Utilizing a series of Microsoft Excel-based templates, APA provides a detailed framework of NCLB requirements that all states must meet to comply with the law. The framework was drawn directly from a close reading of NCLB legislation and the regulations and non-regulatory guidance issued by the U.S. Department of Education. Finally, the framework was reviewed and modified by members of the Council of Chief State School Officers' NCLB Cost Consortium. It is organized around seven cost-driving NCLB *components* that APA has identified, including:

<i>Component 1A</i>	Standards and Assessments;
<i>Component 1B</i>	Accountability;
<i>Component 2A</i>	Technical Assistance for LEAs and Schools;
<i>Component 2B</i>	School Choice and Supplemental Services;
<i>Component 3</i>	High Quality Educators;
<i>Component 4</i>	NCLB Data Management; and
<i>Component 5</i>	Administration of NCLB and Title Programs.

The APA framework further breaks down these components into uniform subset *areas* and associated *tasks*. For instance, under Component 1A, there are a set of areas which NCLB requires every state to address regarding the creation of state standards and assessments for reading, math and science. Within these requirement areas, the framework further delineates a standard series of associated tasks, such as the need to develop and disseminate support materials and to train educators.

Using this framework, the school divisions in Virginia were then asked to identify the set of activities that reflect the strategies that each participating division has adopted to respond to NCLB. Examples of activities might include convening study groups, holding meetings, conducting professional development, preparing materials, managing contracts, responding to questions,

resolving disputes, developing reports, or other steps taken to complete a task in the APA template. Because the Constitution of Virginia vests the operation of school divisions with the respective local school boards, each of Virginia's school divisions operates independently of one another. Consequently, the eight divisions participating in the study faced the challenge of defining what new NCLB costs meant in the context of their own unique operating structure, geographic location, economic condition, and student population.

School division staff from each participating division entered the raw personnel and other cost data for each task on each of the templates, which generated specific costs for each task. The analysis further required that the percent of an activity cost attributable to NCLB also be indicated for each activity. This percent reflects the cost of the activity that would **not** have been incurred if NCLB did **not** exist. That is, it specifically focuses on resources expended above and beyond those the Commonwealth was already spending to develop and implement its own programs. The school division results were then analyzed and used (methodology described below) to obtain an estimate of the statewide local cost of implementing NCLB in Virginia.

The rationale for an activity-based cost analysis is this: requiring activity-based reporting of time, contracts, and other expenditures minimizes speculation, reduces the incidence of over- or under-reporting of staff time, and facilitates verification or replication of the data. The completed templates also can be used as long-range planning tools, since they clearly identify what activities have been implemented and are still underway, how many days are required for various levels of personnel to perform those activities, where additional personnel may be needed, and which activities might be consolidated to improve efficiency or maximize program outcomes.

PART II: SCOPE AND METHODOLOGY

Cost Structure

The methodology used by APA to execute this report is based on one that the firm developed and used in Hawaii. Under a 2003 contract with the Council of Chief State School Officers' (CCSSO) NCLB Cost Consortium, however, the methodology was examined and refined for use in consortium member states. The consortium – which includes Virginia and eleven other states – was charged with devising a common methodology for conducting NCLB cost studies in member states.

Consortium participants met twice in Washington, D.C. in late spring 2004 to help shape the APA cost data collection framework. As stated above, the resulting methodology utilizes cost templates to collect, organize, and aggregate costs at four levels: by (1) component, (2) areas within each component, (3) tasks within each area, and (4) activities within each task. Cost Consortium members also made clear that each state should have a degree of flexibility in the final design of the study within each state.

Initial consortium deliberations determined that costs are collected for the NCLB startup period of January 2001 through June 2003, but that the focal year of interest is July 2003 through June 2004, for which sound data could most easily be produced. Finally, projections are made through fiscal year 2007-2008, understanding that great care needs to be taken in estimating the ramping up of time/effort and contract expenditures and that NCLB provisions, and the flexibility provided therein, could undergo revisions during that timeframe.

This cost study specifically excludes state-supported interventions, competitive grant initiatives, and professional development programs that are not directly related to compliance with NCLB. While it is true that efforts aimed at improving student performance, narrowing the achievement gap, and ensuring high-quality schooling for all Virginia children are the kind of investments that also help schools and LEAs to meet AYP requirements, NCLB does not mandate prevention/intervention/school-reform actions prior to a school or division's failure to meet AYP. Moreover, though state investments in initiatives such as pre-school, after-school programs, class size reduction, summer school, or summer leadership academies for educators are worthwhile initiatives, these initiatives in Virginia were undertaken independently of any federal requirements.

By excluding all improvement strategies and preventive measures not directly related to compliance with NCLB's provisions, the study presents a conservative estimate of NCLB costs. The resulting cost figures, then, are what they are — the meticulously tabulated cost of new activities initiated at the division level solely for the purpose of complying with and administering the provisions of NCLB. The study's design and implementation produces results that should satisfy the need for objective information for policymakers, regardless of their support for NCLB.

Determination of Local Costs

As part of the agreement with the CCSSO NCLB Cost Consortium, APA developed a set of templates to estimate division-level NCLB costs. These templates were tailored to the types of costs divisions would face when implementing NCLB. For example, a division could expend resources and incur additional costs related to offering school choice and supplemental services.

Identifying the division costs associated with NCLB was the critical task for the school divisions that participated in the study. Each school division collected a list of job titles that worked on

NCLB-related activities and determined an average salary for each job category. APA then helped each division create a tailored set of templates for itself so that it could participate in the local part of Virginia's NCLB cost study.

The participating school divisions included Albemarle County, Fairfax County, Fredericksburg City, Halifax County, Henrico County, Norfolk City, Roanoke County and Washington County. These school divisions represent the eight administrative and geographic regions in the Commonwealth. Collectively, these school divisions served more than 279,000 students in the 2003-2004 school year. The responsible staff in each school division convened additional staff members as needed to complete the templates.

School division staff were asked to report, to the best of their ability, the number of days of effort that were needed to complete each activity in 2002-2003 (the "development" year) and 2003-2004 (when most costs became "ongoing"). Staff members were also asked to estimate the portion of any outside contracts (e.g., with technical assistance providers) that would be attributable to NCLB. For those NCLB activities that were expected to continue beyond school year 2003-2004, APA also asked for estimates of the increase and/or decrease in the NCLB cost of each activity for the school year 2004-2005.

Staff time was reported by activity and personnel category. As the data were entered into the specially-designed division templates, days of effort were translated into full-time equivalents (FTEs). Embedded in the activity spreadsheet cells was the average cost (wages plus benefits) for each personnel category, allowing for the automated accumulation of cost for each activity as the data were entered. The software automatically uploaded these costs, as well as the annual cost of any contracts associated with the activity, into area summary spreadsheets, which in turn were automatically uploaded into component costs. The costs in this report are reported at the component level. Finally, the lead staff member in each division was responsible for data cleaning including the careful review of cell entries and summary figures.

Limitations of the Study

All costs contained in this study represent a "snapshot in time." The study uses a conservative approach in estimating state costs incurred as a result in NCLB; it does not capture every single cost in state and federal dollars but focuses on documenting significant new costs to the eight local school divisions from fiscal years 2003-2004 through 2007-2008. The study documents only those new costs resulting from NCLB. The study focuses only on cost and does not evaluate any aspect of NCLB's programs or policies in Virginia.

Finally, this study is not an "adequacy" study; that is, it does not project the costs to the local school divisions of 100 percent proficiency in reading/language arts and mathematics by 2013-2014 as required by NCLB.

PART III: LOCAL SCHOOL DIVISION FINDINGS

Context and Overview

The Constitution of Virginia requires the state Board of Education to determine and prescribe standards of quality for the public schools of Virginia, subject to revision only by the General Assembly. These codified standards, known as the Standards of Quality (SOQs), include Standards of Learning (SOLs), teacher licensing, school accreditation, and student achievement.

In 1995, the Virginia Board of Education (Board) undertook to further reform Virginia's public education system by regularly assessing student achievement in key areas and making schools accountable for student achievement. The Board approved SOLs in English, history and social science, mathematics, and science for grades kindergarten through twelve, and technology SOLs to be achieved by the end of grades five and eight. In addition, the Board began implementing a statewide system of assessment to measure student achievement and to base school accreditation upon testing results. The first statewide SOL tests were administered in the spring of 1998. Since then, Virginia has continued to develop and refine its accountability system.

In 2001, Congress passed the No Child Left Behind Act (NCLB) that required states to ensure that all students achieve high standards, through attaining 100 percent proficiency in reading/language arts and mathematics by 2013-2014. Because of its rigorous SOL testing requirements for NCLB core subjects (i.e., English, mathematics, and science), Virginia was already targeting student achievement in these areas.

NCLB is not a new federal program but a set of new requirements on many existing federal programs, with additional funds provided to help states make the transition to an educational environment that includes rigorous, annual student achievement tests. In Virginia, NCLB could be characterized as an overlay to a well-established state system of assessment and accountability.

NCLB has, however, presented reporting challenges to the Commonwealth because of existing state accreditation requirements and the federal measure of Adequate Yearly Progress (AYP). As a result, since the passage of NCLB, Virginia has been integrating its accountability system with the requirements of NCLB – a process that has been challenging to both state and local administrators and to the public. Because of this “blending” of state and federal reporting systems, the Commonwealth decided that determining *true, new costs* to Virginia of NCLB required a school division by school division examination of costs.

Virginia's Local Education Agencies (LEAs) are divided into eight administrative and geographic regions. To identify candidates for this study, the designated representative superintendent worked with the divisions in his or her region. Eight school divisions, one from each region, agreed to participate in the LEA NCLB cost study, prior to the study being mandated by the 2005 General Assembly.

The participating divisions chosen for the study had sufficient administrative capacity to handle the labor-intensive data collection and analysis process. These divisions also represented diverse geographic, economic, and cultural areas of the Commonwealth and, collectively, contained almost one-fourth of Virginia's total student population of approximately 1.2 million for the 2003-2004 school year (which is the base year for this study). Participating LEAs comprised approximately 14 percent of the 765 Title I schools in the state.

The study includes not only cost information provided but also qualitative information collected

through interviews with each of the participating divisions. From this information, a number of themes emerged that are common to most of the eight divisions. These themes are as follows:

- To some extent, all LEAs are diverting resources to meet NCLB requirements and experiencing opportunity costs as a result. All divisions participating in this study are making these trade-offs. Most divisions are experiencing difficulty in balancing their needs and priorities with state and federal requirements.
- LEAs are focused on the current accountability situation and its challenges. These challenges include a recognition that efforts may need to be undertaken to ensure that schools do not fall into “in improvement status” and remain in this status. No LEA in the study has a mechanism for projecting the number of schools that might fall into “in improvement status,” due to the lack of experience with NCLB requirements. The participating divisions are diligent in their efforts to ensure that sufficient resources are available so that schools do not have to incur sanctions under NCLB.
- Among the unquantifiable costs for some LEAs is the communication efforts they undertook (and are still undertaking) to inform parents, students, and faculty and staff about NCLB. The time and energy needed for this effort is compounded by the differences between Virginia’s existing accountability system and NCLB.
- The LEAs in the study reported that data disaggregation required by NCLB is a positive thing to do. Several large, urban divisions were already building database systems that would enable them to better focus on addressing achievement gaps. To accomplish this goal, divisions in the study are seeking solutions to data warehousing demands as a result of NCLB. Selected LEAs are investigating comprehensive and cost-efficient alternatives, such as data warehousing consortia and interface with the state Education Information Management System (EIMS).
- Most divisions are experiencing difficulty in maintaining the high quality teacher work force required by NCLB. The divisions participating in the study regard the requirements for high-quality educators as beneficial to their school systems.
- Prior to NCLB, all LEAs in the study had developed an infrastructure to administer Virginia’s state assessment program. Nevertheless, all divisions in the study have needed substantial, additional resources to meet the testing requirements of NCLB and to ensure that the existing state accountability structure is merged with AYP reporting requirements.
- School divisions in Virginia, like school divisions nationally, have more Limited English Proficient (LEP) students coming into their systems. The testing requirements for these students in their first years of enrollment are challenging the capacity of the schools both to prepare students for the tests and to administer the tests.
- School divisions are expending additional resources to assist students needing testing accommodations to take and pass required tests so that AYP benchmarks are met.

The remainder of this section of the report sets out the key statistics and significant findings for each of the eight divisions. An appendix to this report contains additional cost information and, in some cases, additional narrative data for each of the eight divisions.

Albemarle County

Table 1: School Division Characteristics Albemarle County	
Region	V
End-Year-ADM from 2003-2004	12,272
Division Free Lunch as of 10/31/03	13.82%
Total Number of Schools as of 9/30/04	25
Number of Title I Schools (2004-2005)	11
Number of Title I Schools in Improvement Status (2004-2005)	0

Table 2: School Division Results Albemarle County, ADM = 12,272					
	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008
Total NCLB Cost	\$1,179,405	\$1,306,201	\$1,513,621	\$1,637,827	\$1,693,108
NCLB Cost per Pupil	\$96	\$106	\$123	\$133	\$138

Notes to findings:

- The division has restructured many areas of its organization and operations to meet NCLB requirements. The full extent of this effort is not quantifiable.
- The division finds that the analysis of subgroup data required by NCLB has been beneficial to its efforts to improve student achievement. The division's use of data because of NCLB has enabled administrators to focus more efforts on student intervention.
- The division is exploring improving efficiencies in its data management operations through a data warehouse consortium. At this time, it does not know the full extent of resources needed in this area.
- The division began investigating achievement gap data in the early 1990s and developed a site-based approach to address these gaps. Due to the complex design of subgroup categories under NCLB, the division has migrated from this site-based approach to a more systemized one for developing personalized learning plans for all students. This has been a beneficial, though costly, aspect of NCLB.
- The division has incurred costs in expanding the scope of the assessments that it administers. This includes the expansion of its assessment department and the use of support personnel to manage a greater volume of test data and materials.
- Prior to 2001, the division funded personnel, structures, and strategies that are now necessary to meet NCLB requirements. Therefore, the division considers its funding impact to be less than other divisions statewide.

Fairfax County

Table 3: School Division Characteristics Fairfax County	
Region	IV
End-Year-ADM from 2003-2004*	158,483
Division Free Lunch as of 10/31/03	14.16%
Total Number of Schools as of 9/30/04	190
Number of Title I Schools (2004-2005)	35
Number of Title I Schools in Improvement Status (2004-2005)	2
*End-of-year figures do not include Fairfax City.	

Table 4: School Division Results Fairfax County, ADM = 158,483					
	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008
Total NCLB Cost	\$24,393,116	\$27,649,058	\$33,077,431	\$34,719,164	\$39,940,573
NCLB Cost per Student	\$154	\$174	\$209	\$219	\$252

Notes to findings (see Appendix for additional information):

- Located in suburban Washington, D.C., this division is the largest in the Commonwealth, with 14 percent of the state’s student population. As of September 30, 2004, the division served over 29,000 LEP students, a third of the state total. Consequently, the division has had significant costs associated with LEP assessments required under NCLB.
- The division has found that the analysis of subgroup data required by NCLB has been beneficial to its efforts to improve student achievement. However, the tracking of these data has necessitated the development of a sophisticated and costly data warehouse. In addition, the division has implemented enhancements to its automated personnel system to meet NCLB’s “highly qualified educator” requirements. Material costs have been incurred to create and maintain this capability.
- The division had made significant outlays to train roughly 14,000 teachers and 1,000 administrators on the complex requirements of NCLB.
- The division devotes considerable resources to ensure adequate communication of NCLB requirements so that parents and others understand the meaning of performance results for a given student or school.

- The division has incurred significant costs to meet the challenge of properly assessing young children and students with disabilities. There have also been formidable costs associated with the provision of appropriate assessment accommodations for these students.

Fredericksburg City

Table 5: School Division Characteristics Fredericksburg City	
Region	III
End-Year-ADM from 2003-2004	2,382
Division Free Lunch as of 10/31/03	41.33%
Total Number of Schools as of 9/30/04	4
Number of Title I Schools (2004-2005)	2
Number of Title I Schools in Improvement Status (2004-2005)	0

Table 6: School Division Results Fredericksburg City, ADM = 2,382					
	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008
Total NCLB Cost	\$525,341	\$895,388	\$921,829	\$948,270	\$974,710
NCLB Cost per Student	\$221	\$376	\$387	\$398	\$409

Notes to findings:

- This urban division has four schools, two of which are Title I schools. Neither of the Title I schools are schools “in improvement status.” The division does not anticipate that these schools will fall into “in improvement status” in future years.
- The division finds that Title I schools receive adequate federal funding. However, funding is not sufficient for non-Title I schools having difficulty making AYP.
- Because the revenue stream for certain federal grants is not on-going but one-time, the division is seeking alternate funding sources when certain NCLB grants expire.
- The division has spent and continues to spend considerable resources ensuring the hiring and continued employment of teachers meeting the NCLB “highly-qualified” definition. The division is unable to fully quantify the extent of the resources devoted to this initiative.
- The division finds that the analysis of subgroup data required by NCLB has been beneficial to its efforts to improve student achievement. The division also finds that the NCLB requirement of managing large amounts of student data has added significantly to its workload.
- As a result of NCLB, division staff and, in particular, teachers, spend more time communicating NCLB requirements to parents. These efforts, which are critically important to student achievement, have also required additional resources in time and materials.

Halifax County

Table 7: School Division Characteristics Halifax County	
Region	VIII
End-Year-ADM from 2003-2004	5,877
Division Free Lunch as of 10/31/03	43.45%
Total Number of Schools as of 9/30/04	15
Number of Title I Schools (2004-2005)	11
Number of Title I Schools in Improvement Status (2004-2005)	1

Table 8: School Division Results Halifax County, ADM = 5,877					
	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008
Total NCLB Cost	\$1,732,684	\$2,023,436	\$2,104,373	\$2,188,548	\$2,276,090
NCLB Cost per Student	\$295	\$344	\$358	\$372	\$387

Notes to findings:

- Halifax County is a rural school division and home to more than 37,000 residents. The division is located in South Central Virginia. The majority of the division’s schools are Title I schools.
- The division has one Title I school in year two of “school improvement status” and is offering school choice. The division does not anticipate that any of its Title I schools will move beyond the school choice option in future years.
- For the component related to school choice and supplemental services, the division faces challenges offering school choice because of student transportation costs and the distances that would need to be traveled by students to attend different schools. If the division needs to offer supplemental services, this would be challenging not only due to the cost but also because of the small number of providers available locally.
- The division is expending considerable effort to assist students needing testing accommodations to take and pass required tests. Currently, the division estimates that 19 percent of its student population has special needs. The Virginia Grade Level Alternative (VGLA) test is benefiting the division in terms of measuring student achievement.
- Because of its rural location, the division faces challenges in recruiting and retaining NCLB

“highly-qualified” teachers and paraprofessionals. Because of revenue constraints at the state, local, and federal level, difficulties exist in providing competitive compensation, particularly to paraprofessionals. The division finds that the NCLB “highly-qualified” definition for teachers and paraprofessionals is beneficial to student achievement efforts.

- The division finds that the analysis of subgroup data required by NCLB has been and continues to be beneficial to its efforts to improve student achievement.

Henrico County

Table 9: School Division Characteristics Henrico County	
Region	I
End-Year-ADM from 2003-2004	44,762
Division Free Lunch as of 10/31/03	21.44%
Total Number of Schools as of 9/30/04	64
Number of Title I Schools (2004-2005)	16
Number of Title I Schools in Improvement Status (2004-2005)	0

Table 10: School Division Results Henrico County, ADM = 44,762					
	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008
Total NCLB Cost	\$4,085,125	\$4,403,190	\$4,614,694	\$4,693,823	\$4,772,826
NCLB Cost per Student	\$91	\$98	\$103	\$105	\$107

Notes to findings:

- This urban/suburban school division, located in the metropolitan Richmond area, has no Title I schools in “school improvement status.” The division does not try to predict schools that may fall into “school improvement status” but reviews school data to identify what schools may be at risk and intervenes early. It has found that significant resources are required to assist a school in “school improvement status.”
- The division is experiencing a tremendous burden as a result of new and expanded assessments and is having difficulty providing its schools with the resources needed to accommodate testing demands. The division is not able to provide every school with a dedicated test coordinator and will have to reallocate resources to cover the expenses of testing some LEP students as required under NCLB.
- The challenges the division’s schools face in making AYP are compounded by the fact that the county is experiencing annual growth in overall membership as well as in the number of special education and LEP students. For 2004, the division’s population of LEP students was almost 2,000 students, a 36 percent increase over the prior year. The division estimates that the LEP population for the 2005-2006 school year could be over 3,000 students.
- This division is located in a growing county that is building new schools annually, and it is supplementing existing space with modular units. The division is struggling to find space for special programs (including preschool programs) and for ongoing needs that students have for instructional differentiation/tutoring. The division would face significant facility challenges if public school choice were offered.
- Prior to NCLB, the division had implemented an Oracle database system that was tracking most of the subgroup and other information required by NCLB. The division finds that the analysis of subgroup data required by NCLB has reinforced the efforts it had underway.
- The division has incurred increasing costs related to high quality educators, particularly in ensuring that existing teachers continue to meet the qualifications, and has increased tuition reimbursement expenses for teachers.

Norfolk City

Table 11: School Division Characteristics Norfolk City	
Region	II
End-Year-ADM from 2003-2004	34,040
Division Free Lunch as of 10/31/03	45.21%
Total Number of Schools as of 9/30/04	52
Number of Title I Schools (2004-2005)	18
Number of Title I Schools in Improvement Status (2004-2005)	2

Table 12: School Division Results NORFOLK CITY, ADM= 34,040					
	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008
Total NCLB Cost	\$10,345,889	\$7,431,123	\$7,271,568	\$7,106,397	\$7,265,073
NCLB Cost per Student	\$304	\$218	\$214	\$209	\$213

Notes to findings (see Appendix for additional information):

- This urban division has two Title I schools “in improvement status” and is allocating significant resources to all Title I schools. The division anticipates continuing pressure on its resources as AYP benchmarks rise.
- With the increase received in Title I funds used to assist the two schools in year one of school improvement, the division has been able to provide more high-quality, school-based professional development, part-time reading tutors, and research-based instructional resources. Because of these efforts (and other local instructional and assessment initiatives), both schools made AYP for 2005-2006 and are expected to receive full state accreditation based on preliminary test data. Consequently, these two schools are "holding" in year one. If the division had not already been addressing the improvement of teaching and learning as a division goal, this targeted assistance could have been a much more costly undertaking.
- The division is incurring new costs for professional development of existing teachers and paraprofessionals. Historically, the district has had difficulty offering competitive salaries to teachers as it is surrounded by jurisdictions with larger revenue bases that are able to offer more competitive salaries. NCLB has added to the challenge of attracting and retaining qualified teachers. To help address this issue, incentives such as smaller class sizes, the availability of research-based instructional programs and materials, and increased opportunities for high quality, in- building professional development are currently being implemented.
- To assist paraprofessionals in meeting the highly qualified requirements of NCLB, the division

has offered preparatory workshops in reading and mathematics for those taking the ParaPro Assessment. It is also funding classes at Tidewater Community College for a targeted group of paraprofessionals desiring to pursue an associate's degree in early childhood education (with the goal of continuing at a four-year institution and earning a teaching degree). The division considers this initiative to be an investment in its effort to close the achievement gap.

- The division has experienced a significant increase in the number of LEP students over the last few years (from 80 to over 300) and expects this trend to continue. This has required hiring additional ESL teachers and part-time tutors to provide the support needed for this NCLB subgroup to meet or exceed proficiency on the SOLs. It is anticipated that this cost will increase over time for the division.
- In its continuing efforts to increase parent and community involvement, the division has implemented several efforts to inform parents of their rights under NCLB. The division has also offered school and division level workshops to assist the community with understanding the SOLs, resource identification, and parenting skills. NCLB publications have been created and distributed, electronic media have been used, and a library of resources (available for check-out) has been set up at the division's Parent Center. The division is also purchasing additional resources targeted to the needs of parents of LEP students.

Roanoke County

Table 13: School Division Characteristics Roanoke County	
Region	VI
End-Year-ADM from 2003-2004	14,382
Division Free Lunch as of 10/31/03	10.43%
Total Number of Schools as of 9/30/04	27
Number of Title I Schools (2004-2005)	10
Number of Title I Schools in Improvement Status (2004-2005)	0

Table 14: School Division Results Roanoke County, ADM= 14,382					
	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008
Total NCLB Cost	\$16,815,728	\$12,343,220	\$18,660,218	\$23,654,352	\$24,773,195
NCLB Cost per Student	\$1,169	\$858	\$1,297	\$1,645	\$1,723

Notes to findings (see Appendix for additional information):

- The division does not currently have any Title I schools that fall into school improvement status and does not anticipate schools falling into this category in the future.

- The division finds that the analysis of subgroup data required by NCLB has been beneficial to its efforts to improve student achievement and compare the level of services provided to students.
- The division is reallocating funds away from the provision of competitive teacher salaries to the provision of smaller class sizes and additional resources for students to increase achievement. Because of this strategy to meet NCLB requirements, the division is experiencing difficulty keeping highly-qualified teachers.
- In order for the division and its schools to continue to make AYP, the division is expending considerable effort to assist students needing testing accommodations to take and pass required tests.
- The division finds that federal grant revenues have not kept pace with NCLB costs. This means that funds must be used from other sources to meet NCLB requirements.
- In its data collection, the division estimated the resources to undertake prevention efforts needed to ensure that the division and its schools continue to make AYP. More information on this issue is included in the Appendix.

Washington County

Table 15: School Division Characteristics Washington County	
Region	VII
End-Year-ADM from 2003-2004	7,176
Division Free Lunch as of 10/31/03	29.36%
Total Number of Schools as of 9/30/04	15
Number of Title I Schools (2004-2005)	6
Number of Title I Schools in Improvement Status (2004-2005)	0

Table 16: School Division Results Washington County, ADM= 7,176					
	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008
Total NCLB Cost	\$440,282	\$427,299	\$427,299	\$409,696	\$404,052
NCLB Cost per Student	\$61	\$60	\$60	\$57	\$56

Notes to findings:

- The division’s most significant cost area relates to its efforts to ensure that its special education students make AYP.
- The division does not currently have any Title I schools that fall into school improvement status. It has planned for the possibility of schools falling into improvement status in future years, but it is difficult to assign a cost or forecast the number of schools due to the division’s lack of experience with NCLB requirements. Since the division is located in a large, rural county, if it needs to provide supplemental services in the future, it may have difficulty finding service providers.
- The division finds that the analysis of subgroup data required by NCLB has been beneficial to its efforts to improve student achievement and compare the level of services provided to students.
- The division now hires its teachers differently than in prior years because of the NCLB “highly-qualified” definition. In addition, the division has paid more than \$50,000 in tuition reimbursements and training to ensure that staff continues to be “highly-qualified.”
- The division indicates that it would be undertaking most of the initiatives required by NCLB, even if the Act did not exist.

PART IV: STATEWIDE ESTIMATE OF LOCAL DIVISION NCLB COSTS

Knowing the estimated NCLB costs in eight school divisions does not, however, directly answer the question – what is the statewide school division cost associated with NCLB? To answer this question, a procedure for extrapolating the costs found in the eight divisions to the other students and divisions across the state must be adopted. Several options exist for creating such a procedure.

For example, one option is that the per pupil results for a school division in a particular region could be allocated to all the students in that region. A second option is to give school divisions of a particular size the per pupil results of a comparable division that participated in the study. A third option is to create a regression model that could be used to predict the per pupil costs in all divisions using the results from the eight participating divisions. Because the results from the regression model can adjust for key elements of division variation, APA selected this last option as the procedure used in this study to extrapolate the results developed by the eight participating school divisions to a statewide local NCLB cost estimate.

Applications of regression analysis exist in almost every field. In economics, the dependent variable might be a family's consumption expenditure and the independent variables might be the family's income, number of children in the family, and other factors that would affect the family's consumption patterns. In political science, the dependent variable might be a state's level of welfare spending and the independent variables measures of public opinion and institutional variables that would cause the state to have higher or lower levels of welfare spending. In sociology, the dependent variable might be a measure of the social status of various occupations and the independent variables characteristics of the occupations (pay, qualifications, etc.).

In a linear regression model, the dependent variable is assumed to be a linear function of one or more independent variables plus an error term introduced to account for all other factors:

$$Y_i = B_1X_{i1} + \dots + B_kX_{ik} + U_i$$

In the above *regression equation*, Y_i is the *dependent variable*, X_{i1}, \dots, X_{ik} are the *independent* or *explanatory variables*, and U_i is the *disturbance* or *error term*. The goal of regression analysis is to obtain estimates of the unknown parameters B_1, \dots, B_k , which indicate how a change in one of the independent variables affects the values taken by the dependent variable. The functional form of the equation is as follows:

$$Y_i = B_1X_{i1} + \dots + B_kX_{ik} + Z,$$

with Z in this equation being the constant (or intercept) term.

In trying to predict the Per Pupil NCLB spending (the dependent variable in our regression model) for the eight school divisions that participated in the study, several predictor variables (independent variables) were examined. With only eight observations, including more than three predictor variables at the same time in the equation would reduce the overall stability of any selected regression model. APA examined models with different combinations of the following predictor variables: fiscal year 2004 End-of-Year ADM for Determining Cost Per Pupil (ADM); October 2003 Count of Free Lunch Claims (FL); September 2003 Count of LEP Students (LEP); and spending per pupil for the 2003-2004 school year. In addition, after interviews with all of the participating school divisions, it was clear that the Roanoke County estimate included additional

diagnostic and data management work for their students compared to other divisions. To keep the results from Roanoke County in the model, APA created a special variable for this school division, solely for the purpose of statewide projections.

The regression model that generated the best estimated NCLB costs for the eight participating school divisions included the following variables: ADM; FL; and the Roanoke County indicator. The model explained 81 percent of the variation in Per Pupil NCLB costs across the eight school divisions. The selected regression model is summarized in Table 17.

Table 17: Summary of Selected Regression Model to Predict Per Pupil NCLB Costs in Participating School Divisions				
Model Summary	R	R-squared	Standard Error of the Estimate	
	.905	.818	146.24	
Summary of Model Coefficients	B	Standard Error	t	Significance
Constant	\$201.67	77.006	2.619	.05
ADM	-\$0.0012	.002	-.630	.56
FL	\$0.0062	.013	.486	.65
Roanoke	\$665.44	163.363	4.073	.02

For any individual school division in the state, therefore, the predicted Per Pupil NCLB cost in 2003-2004 is specified below. APA then applied this equation to each school division in Virginia.

$$\text{Per Pupil NCLB Cost} = \$201.67 - \$0.0012 * \text{ADM} + \$0.0062 * \text{FL}$$

The results of this equation for each school division were then averaged and the results are presented in the 2003-2004 column of Table 18.

Several procedures exist for estimating the per pupil average statewide local NCLB cost for school years 2004-2005 through 2007-2008. Out-year estimates could be based on the percent increases provided by the participating school divisions, or on regression models using school division estimates for each of the out years. APA elected to use a conservative approach – applying the predicted rate of inflation for each of the out years to the estimated statewide average local NCLB cost per pupil in 2003-2004, \$204. (The inflation rates taken from the NASA GDP Price Deflator and used by the VDOE in the state NCLB cost study are the following: 1.2% in 2004; 1.5% in 2005; 1.7% in 2006; 1.9% in 2007; and 2.0% in 2008.) VDOE also provided the latest predicted statewide ADM figures for school years 2005-2006 through 2007-2008.

Table 18 then shows the statewide estimate of division-level NCLB costs beginning in the first year of the legislation and projected through the 2007-2008 school year. Beginning in the 2003-2004 school year, division costs associated with implementing NCLB in Virginia are estimated to be between \$238 and \$267 million per year. This represents a per pupil expenditure for local NCLB costs of between \$204 and \$219 per pupil.

Table 18: Predicted local NCLB Cost Estimate in Virginia	
---	--

Using the Selected Regression Model
(Total cost figures are given to the nearest \$1,000)

	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008
Estimated Statewide Average Local NCLB cost Per Pupil	\$204	\$207	\$210	\$214	\$219
Predicted Statewide ADM	1,167,747 ¹	1,175,734 ²	1,192,624 ³	1,205,686 ³	1,219,051 ³
Estimated Statewide Total NCLB Cost	\$238,220,000	\$243,377,000	\$250,451,000	\$258,017,000	\$266,972,000

¹ End-of-Year ADM from Table 15 of Superintendents' Annual Report for Virginia.

² Figure represents actual March 31, 2005 ADM.

³ K-12 ADM projections from the Department of Education as of August 2005.

PART V: FEDERAL NCLB REVENUES COMPARED WITH STATEWIDE PER PUPIL NCLB COSTS

This section of the report compares estimated LEA statewide costs for NCLB to revenues over a four-year period, using 2004-2005 as the base year for analysis. The revenues represented in this section are those federal grants that the U.S. Department of Education has identified as directly related to NCLB.

Figure 1

Virginia Department of Education				
LEA Revenues Related to the Federal No Child Left Behind Act				
	Year One 7/04-6/05 Based on Actual Awards	Year Two 7/05-6/06 Estimation	Year Three 7/06 - 6/07 Estimation	Year Four 7/07 - 6/08 Estimation
<i>of Title I Federal Grants Directly Related to NCLB - LEA Allocation</i>				
ademic Achievement of the Disadvantaged	193,632,682	199,653,297	205,861,110	212,261,943
B - Reading First	13,542,584	13,963,663	14,397,835	14,845,506
B - Even Start	3,274,047	3,375,847	3,480,812	3,589,041
C - Migrant Education	791,578	816,191	841,568	867,735
D - Neglected or Delinquent Children	951,488	981,073	1,011,577	1,043,030
F - Comprehensive School Reform	<u>5,232,795</u>	<u>5,395,498</u>	<u>5,563,260</u>	<u>5,736,238</u>
total, Title I Grants	217,425,174	224,185,568	231,156,163	238,343,494
<i>Other Awards - LEA Allocation</i>				
A - Improving Teacher Quality	50,769,567	52,348,144	53,975,803	55,654,071
B - Mathematics and Science Partnerships	2,268,656	2,339,195	2,411,928	2,486,922
D - Enhancing Education Through Technology	9,817,742	10,123,005	10,437,759	10,762,300
Other B - 21st Century Community Learning Centers	14,345,738	14,791,790	15,251,710	15,725,931
Other A - Innovative Programs	5,888,413	6,071,501	6,260,282	6,454,933
Other A - State Assessments, Improving Academic Achievement	0	0	0	0
Other B - Rural & Low-Income Schools	1,107,674	1,142,115	1,177,627	1,214,243
Other A - Safe & Drug-Free Schools & Communities ¹	6,082,127	6,271,239	6,466,230	6,667,284
Other A - English Language Acquisition	<u>6,909,724</u>	<u>7,124,568</u>	<u>7,346,092</u>	<u>7,574,504</u>
total, Other NCLB Awards	97,189,642	100,211,556	103,327,431	106,540,187
AVAILABLE FEDERAL RESOURCES (Title I Other NCLB Awards)	314,614,815	324,397,124	334,483,594	344,883,681
% increase in revenues since the passage of NCLB				
ADJUSTED FEDERAL REVENUE BASE	166,745,852	171,930,476	177,276,305	182,788,351

¹ Actual and projected revenue does not include Safe & Drug Free Schools Governors Grants (approximately \$1.7 million in fiscal year 2004-2005).

² Based on analysis of actual 2001 and 2004 federal grants (excluding Impact Aid and the Title VI, Part A grant for state assessments that is provided to the SEA), federal revenues related to NCLB are 53% higher than before passage of the Act. Consequently, 53% of the total revenue available is "carved-off" to be measured against new NCLB costs.

Figure 2

SUMMARY OF LEA ESTIMATED REVENUES AND COSTS - VIRGINIA DEPARTMENT OF EDUCATION

	Year One			
	7/04-6/05	Year Two	Year Three	Year Four
	Based on Actual	7/05-6/06	7/06 - 6/07	7/07 - 6/08
	Awards	Estimation	Estimation	Estimation
STED FEDERAL NUE BASE (53% of al Revenues - See Figure	166,745,852	171,930,476	177,276,305	182,788,351
E CONTRIBUTION TO L EFFORTS (See dix to the study for onal detail) ¹	14,617,400	18,748,848	19,408,152	19,522,221
L NCLB RESOURCE FOR COMPARISON ited Federal Revenue Plus State Contribution to Efforts)	181,363,252	190,679,323	196,684,456	202,310,572
L IDENTIFIED NEW COSTS (Projected ADM Pupil Cost) ²	243,447,482	250,451,040	258,016,804	266,972,169
PLUS/(SHORTFALL) - NCLB Resource Base for arison less Total Identified NCLB Costs]	(62,084,230)	(59,771,717)	(61,332,348)	(64,661,597)
ATED PER PUPIL INT [Surplus/(Shortfall) d by Projected ADM] ³	(52.80)	(50.12)	(50.87)	(53.04)

¹In addition to the 53% figure noted in footnote one in Figure 1, the revenue base also includes an adjustment for state efforts that: 1) directly relate to local technical assistance and are identified in the state cost study; 2) include state support for the student data records collection system beginning in fiscal year 2005-2006; and 3) include funding for related NCLB initiatives funded by the Virginia General Assembly. In other words, added to the 53% base is an adjustment of \$72 million over the measurement period that is the estimated amount of SEA efforts going to local divisions to help alleviate administrative burden, create efficiencies, and assist divisions with continuing to meet AYP.

²Year 1 ADM is based on actual March 31, 2005 average daily membership as reported to the department. ADM for years two through four is projected using department estimates as of August 2005.

³ The forecast shown here does not take into consideration the carryforward expenditure "window" for federal funding. To summarize, federal grant monies carried forward between fiscal years are not included in this analysis. To forecast federal revenues, a 3% escalator has been used in years two through four.

The revenues shown in Figure 1 represent the estimated LEA allocation to Virginia from all NCLB-related federal grants, including those that existed prior to the implementation of the Act. The revenues shown for year one of the measurement period represent actual 2004 awards for the federal fiscal year beginning October 1, 2004 and ending September 30, 2005. The federal grants

shown in this chart mirror those reported by USED as being directly linked to NCLB, with the exception of Impact Aid. Title VII revenues from Impact Aid are not considered in this study because this revenue stream is targeted to selected localities in Virginia where the tax base is impacted by federal property. In addition, the Title IV, Part A (State Assessments) grant is not included because this funding is provided to the SEA and intended for new test development.

For years two through four of the measurement period, federal revenues are estimated based upon the 2004 actual award information. In order to account for estimated increases in LEA allocations and because actual fiscal year 2005-2006 awards are not final at this time, the 2004-2005 award amount is inflated by three percent in the second year and every year thereafter. The three percent inflation factor was derived by examining the growth in all federal NCLB-linked grants between 2003 and 2004.

In order to compare NCLB estimated costs against a comparable revenue base, the amount of new revenue available due to NCLB needs to be determined. To make this determination, the department examined actual federal grant revenues directly linked to NCLB from 2001 (before the Act's implementation) against 2004 actual award amounts. This comparison shows that federal revenues (excluding Impact Aid and the state assessment grant) were approximately 53 percent greater in 2004 than in 2001. Consequently, the department took 53 percent of the revenue shown in the **'TOTAL AVAILABLE FEDERAL RESOURCES'** line in Figure 1 to determine a revenue base for measurement against LEA statewide estimated costs.

Figure 2 presents the summary of statewide estimated local revenues against estimated costs. One further adjustment has been made to the federal revenue base in Figure 2. The department has determined that a portion of the SEA's new NCLB costs directly support LEAs in implementing NCLB (see Appendix to this report for further detail.) The support provided to the LEAs is intended to alleviate administrative burden and maximize LEA resources for service delivery. Thus, these identified SEA costs constitute additional resources of approximately \$72 million in NCLB revenues supporting Virginia's LEAs over a four-year period.

This \$72 million is added to the 53 percent "carve off" from Figure 1 to recognize the SEA contribution to local efforts. The **"STATE CONTRIBUTION TO LOCAL EFFORTS"** row in Figure 2 shows the annual impact of these costs. The **"TOTAL NCLB RESOURCE BASE FOR COMPARISON"** is the sum of the 53 percent "carve-off" of revenue and the state support contribution. The figures in this row become the base against which all estimated, statewide NCLB costs are measured.

In order to calculate estimated, statewide costs for 2004-2005, the per pupil amount of \$207 produced through APA's projections (see Table 18) is multiplied by K-12 average daily membership as of March 31, 2005. For the remaining years of the measurement period, the per pupil amount for each applicable year is multiplied by a projected ADM figure supplied by the department.

When the **"TOTAL NCLB RESOURCE BASE FOR COMPARISON"** is measured against **"TOTAL IDENTIFIED NEW NCLB COSTS"**, the result yields a shortfall over the measurement period, ranging from \$52.80 per pupil in the first year to \$53.04 per pupil in the fourth year. This analysis measures federal grant revenue estimations in the year of award only and not the application of federal carryforward balances that could potentially offset funding shortfalls, particularly in the first two years of the measurement period.

PART VI: CONCLUSION

The statewide estimate for Virginia at the school division level indicates that the cost of implementing NCLB ranged from \$238 to \$267 million per year for the school years between 2003-04 and 2007-08. This represents a local dollar per pupil figure per year of between \$204 and \$219. When balanced against new NCLB revenues, this results in an unfunded per pupil cost of approximately \$53 per year. The \$53 estimate represents less than one percent of the statewide average total per pupil expenditure of \$8,552 in 2003-04. The cost study found that total identified new LEA NCLB costs exceed total projected federal revenues for the time period of the study, if revenues are examined only in the grant award year and no “carryforward” of unexpended balances are considered.

Given the conservative assumptions of the study, the results indicate that Virginia’s LEAs costs of complying with NCLB are currently underfunded. As the 2014 NCLB requirement for 100 percent proficiency approaches, it is likely that Virginia’s local school divisions’ costs for compliance could increase at a faster rate as additional resources may be needed to assist schools and students.

In its state cost study report, the SEA has identified a modest surplus over its measurement period as the difference between projected NCLB revenues to the state and estimated costs. If such a state surplus is not needed by the department to implement NCLB, then this surplus could be provided to LEAs to help support compliance costs.

LEGISLATIVE MANDATE – 2005 GENERAL ASSEMBLY

CHAPTER 11 and CHAPTER 13, 2005 ACTS OF ASSEMBLY

An Act to direct the Board of Education to take certain actions regarding the Commonwealth's participation in the federal No Child Left Behind Act.

[House Bill 2602 and Senate Bill 1136]

Approved March 16, 2005

Be it enacted by the General Assembly of Virginia:

1. *§ 1. That, pursuant to § 9401 of the federal No Child Left Behind Act (the Act), the Board of Education shall seek waivers from compliance with those provisions of the Act that are (i) in conflict with Title IX, Section 9527 (a), which prohibits federal authorities from mandating, directing, or controlling state or local allocation of resources and from mandating state or local expenditure of funds or incursion of any costs not paid for under the Act; or (ii) duplicative of the Commonwealth's existing educational accountability system as set forth in the Standards of Quality, Standards of Learning, and Standards of Accreditation; or (iii) lacking in effectiveness, including, but not necessarily limited to, those addressing (a) testing of students with disabilities or limited English proficiency; (b) additional or excessive testing; (c) exclusion of passing scores on expedited retakes of Standards of Learning assessments from calculations of adequate yearly progress; (d) measurement of adequate yearly progress based on, among other things, individual grade levels rather than longitudinal data and individual subgroup failures; (e) the overinclusion of certain students in several subgroups; and (f) components of the Commonwealth's educational accountability system and teacher licensure and employment requirements that, in the discretion of the Board, already substantially comply with the spirit and intent of the federal act.*
2. That the Board of Education shall examine the fiscal and other implications for the Commonwealth and its local governments in the event that Virginia continues its compliance with, or withdraws from participation in, the federal No Child Left Behind Act. The Board shall convey its findings from such examination to the House Committees on Education and Appropriations and the Senate Committees on Education and Health and Finance no later than October 1, 2005.
3. That an emergency exists and this act is in force from its passage.

APPENDICES

FOR

**THE COST OF FULFILLING THE REQUIREMENTS OF
THE NO CHILD LEFT BEHIND ACT FOR SCHOOL
DIVISIONS IN VIRGINIA – Issued by Augenblick, Palaich
and Associates, Inc.**

AND

**REPORT TO THE GOVERNOR AND GENERAL
ASSEMBLY ON THE COSTS OF THE FEDERAL NO
CHILD LEFT BEHIND ACT TO THE VIRGINIA
DEPARTMENT OF EDUCATION – Issued by the Virginia
Department of Education**

September 21, 2005

TABLE OF CONTENTS

APPENDIX A – COMPONENT SUMMARY/ADDITIONAL INFORMATION FOR EACH OF THE EIGHT PARTICIPATING LOCAL SCHOOL DIVISIONS	2
Albemarle County	3
Fairfax County	4
Fredericksburg City	9
Halifax County	10
Henrico County	11
Norfolk City	12
Roanoke County	14
Washington County	18
APPENDIX B – EXPLANATION OF SEA CONTRIBUTION TO LOCAL EFFORTS AS SHOWN IN FIGURE 2 OF THE APA REPORT	19
APPENDIX C – GLOSSARY OF TERMS	20

**APPENDIX A – COMPONENT SUMMARY/ADDITIONAL
INFORMATION FOR EACH OF THE EIGHT PARTICIPATING
LOCAL SCHOOL DIVISIONS**

Albemarle County

Virginia LEA: Albemarle County - Region V

Estimated New NCLB Costs Related to the Federal No Child Left Behind Act

Component Summary	Year One 7/03-6/04	Year Two 7/04-6/05	Year Three 7/05-6/06	Year Four 7/06-6/07	Year Five 7/07-6/08
Standards and Assessments	445,840	480,956	516,516	541,554	566,593
Accountability	361,417	397,558	433,700	469,842	505,983
Technical Assistance	210,485	231,534	251,562	263,646	280,990
Supplemental Services/School Choice	1,433	-	1,577	1,720	1,863
High Quality Educators	79,969	92,976	164,073	106,855	113,578
Data Management	8,582	24,331	60,179	161,027	161,875
NCLB Administration	71,679	78,847	86,014	93,182	62,224
TOTAL IDENTIFIED NEW NCLB COSTS	1,179,405	1,306,201	1,513,621	1,637,827	1,693,108
AVERAGE DAILY MEMBERSHIP (End-of-Year for 2003-2004) ¹	12,272	12,272	12,272	12,272	12,272
AVERAGE COSTS PER PUPIL	96	106	123	133	138

¹ – Figure from Fiscal Year 2004 – Table 15 of the Superintendents' Annual Report For Virginia – Sources of Financial Support for Expenditures for Operations and Total Per Pupil Expenditures for Operations

Fairfax County

Virginia LEA: Fairfax County - Region IV					
Estimated New NCLB Costs Related to the Federal No Child Left Behind Act					
Component Summary	Year One 7/03-6/04	Year Two 7/04-6/05	Year Three 7/05-6/06	Year Four 7/06-6/07	Year Five 7/07-6/08
Standards and Assessments	11,593,421	12,655,498	17,181,896	18,387,949	22,398,543
Accountability	4,344,059	4,915,133	5,228,274	5,368,026	5,562,881
Technical Assistance	634,095	609,868	376,826	393,782	415,443
Supplemental Services/School					
Choice	356,586	438,850	844,599	905,236	982,877
High Quality Educators	4,202,572	4,924,761	5,141,135	5,326,593	6,134,067
Data Management	962,783	1,138,496	1,304,820	1,297,538	1,313,548
NCLB Administration	2,299,600	2,966,451	2,999,881	3,040,040	3,133,214
TOTAL IDENTIFIED NEW NCLB COSTS	24,393,116	27,649,058	33,077,431	34,719,164	39,940,573
AVERAGE DAILY MEMBERSHIP (End-of-Year for 2003-2004) ¹	158,483	158,483	158,483	158,483	158,483
AVERAGE COSTS PER PUPIL	154	174	209	219	252

¹ – Figure from Fiscal Year 2004 – Table 15 of the Superintendents' Annual Report For Virginia – Sources of Financial Support for Expenditures for Operations and Total Per Pupil Expenditures for Operations

THE IMPACT OF THE NO CHILD LEFT BEHIND ACT ON FAIRFAX COUNTY PUBLIC SCHOOLS

This information has been provided directly by the division to supplement the information provided in the full report and facilitate a greater understanding of the challenges facing the division in implementing the federal No Child Left Behind Act (NCLB).

The Compliance Challenge

The broad objectives of NCLB mirror the pre-established mission of Fairfax County Public Schools. Division policymakers have long championed the cause of high achievement among all student demographic groups. A commitment to recruiting, training, and retaining high quality educators has also been a time-honored trademark of the division. Virginia's accountability framework reinforced these objectives but, to some extent, constrained the range of approaches available to division policymakers to achieve them. The federal accountability framework, as articulated through NCLB, further constrains both state and local leaders. The adaptation process is cumbersome and costly.

Before NCLB was enacted, the local curriculum was already aligned with Virginia's Standards of Learning requirements. Schools were accustomed to achieving high pass rates on annual exams in order to achieve state accreditation. NCLB has ushered in a host of more specific demands for schools to address. The Stanford English Language Proficiency (SELP) Test has to be administered two times a year to each limited-English-proficient (LEP) student in every grade from kindergarten on up. The speaking aspect of these assessments must be administered in a format requiring one-on-one teacher-to-student attention. It can be quite time consuming to carry out this process twice annually in a school that has hundreds of children to test, as many Fairfax County schools do. The staff qualified to carry out this requirement is always very small, so that the school must sacrifice valuable instructional time or the division must budget funds to hire far more teachers than state guidelines presume to be necessary. The total value of the time devoted to the SELP testing is \$5.4 million a year.

The NCLB, in its original form, is over 1,000 pages long. Subsequent amendments have added hundreds of additional pages to digest. The law has a variety of provisions that call for differentiated responses depending on the particular pattern of student performance results in each school. Policymakers face a challenge as they attempt to communicate this information effectively. The school division lengthened the standard teacher contract from 194 days to 195 just to allow for extra training time. The cost of setting aside a single day to train the roughly 14,000 teachers in the division on the law's complex requirements is equivalent to the cost of hiring 72 additional teachers. The law

also affects paraprofessionals: an extra day's training equates to the cost of hiring about ten additional instructional assistants. There are roughly 1,000 administrators who require training as well. A day's training represents the cost for four additional assistant principals. Thus, each day out of the year that is set aside to explain the law results in a missed opportunity to assign 86 instructional personnel year-round to interface directly with the community's children and work directly to address their academic needs.

The law's emphasis on gauging the relative performance of seven subcategories of children has necessitated the development of an elaborate data warehouse. A variety of staff positions have been added to create this system and maintain it. A number of other positions have been required to interpret the mass of data, meet state accountability reporting requirements, and craft strategies for responding appropriately to the student performance results. Similarly, the precise requirements of the highly qualified educator provisions in the federal law have necessitated costly enhancements to the automated personnel system. Additional staff have been hired to track all the extra data required.

In addition, complications arise because the state's performance standards to achieve accreditation status differ from those used to determine whether adequate yearly progress has been achieved under federal law. Two sets of evaluation processes must be carried out.

Public communication costs have increased as a result of the federal legislation. The dissemination and effective explanation of student assessment results is problematic under the federal framework, with its 29 criteria for school success. Few people are experts on the letter or intent of the new law, so school staff members spend considerable time conveying to parents and others in the community the information necessary to understand the meaning of performance results for a given student or school.

NCLB emphasizes inclusiveness in student testing. The process of determining what students can justifiably be exempted from testing, then, is more complex than it was previously. Similarly, the process of determining appropriate accommodations or alternative assessment mechanisms for eligible children is also more complex. In all cases, complexity must be confronted by expending considerable amounts of staff time, which in turn, translates into a higher cost for education.

In many cases, the extra costs cannot be met through budget increases, since growth in school division resources is always limited. This means that the real cost of many of the factors outlined above falls into the category of what an economist would term an "opportunity cost." In other words, resources that would otherwise be devoted to direct instruction are diverted to satisfy the training, tracking, analyzing, reporting, and communicating requirements of the federal legislation.

As schools progress through the federal law's various stages, the problems multiply. The time spent to create and administer school choice and supplemental education services programs could be substantial and is difficult to forecast.

Is The Federal Government A Full Partner?

The explicit compliance costs incurred by Fairfax County Public Schools amounted to \$21 million in the first school year following passage of NCLB. The cost has since risen to \$33 million in the current year, and is projected to reach \$40 million by the 2007-08 school year, representing an annual cost of approximately \$250 per student. The Federal Title I through V programs are earmarked for just 35 of the division's schools, but the law's provisions, and compliance costs, apply at all 198 facilities. It stands to reason, then, that the federal dollars are stretched thin by local policymakers as they confront the challenges of NCLB. Indeed, total revenues from all of the Elementary and Secondary Education (ESEA) Act programs amounted to roughly \$18.1 million for the 2004-05 year, about 65 percent of the compliance cost.

Even this comparison understates the magnitude of the excess costs, since it makes sense only if one assumes that the purpose of the federal education program is to conduct assessments, as opposed to its traditional mission to enhance instructional attention given to economically disadvantaged children. Furthermore, compliance costs are rising at a much faster pace than the federal resources available to address them. For example, the federal Title I through V program money for Fairfax County Public Schools rose by \$1.7 million from the 2003-2004 year to the 2004-2005 year. At the same time, NCLB compliance costs increased by \$3.3 million, or nearly twice as much.

As the years go by, the situation promises to become even more serious. For the 2005-06 school year, students from three additional grades (4, 6, and 7) will be incorporated into the annual testing process. Over time, the target pass rates for the Standards of Learning exams will increase as well, rising far beyond the traditional level of 70 percent, and, indeed, reaching 100 percent by 2014.

Are There Indirect Cost Impacts Of The No Child Left Behind Act?

In an effort to spur student achievement, local policymakers add their own strategic approaches to those explicitly prescribed by NCLB. Although the law does not require it, there is a trend toward expansion of all-day kindergarten opportunities in the hopes that disadvantaged children will receive greater attention in their most critical formative period. Staffing for the English for Speakers of Other Languages (ESOL) program has been increased far beyond the state guidelines in an effort to spur these children's academic progress. A number of schools with high populations of economically disadvantaged students have been placed on year-round schedules to prevent the traditional summer learning loss for students who can ill afford it. A variety of remediation programs have been implemented in order to help students master material they did not learn the first time. In turn, formative assessment tools are being developed to identify student performance deficiencies in advance of Standards of Learning test administration periods, so that early corrective intervention may take place.

ADDITIONAL FACTS – FAIRFAX COUNTY PUBLIC SCHOOLS

- Largest school division in Virginia and 12th largest in U.S.
- Over 1,700 teachers hired each school year
- Advanced Placement/International Baccalaureate participation of 47 percent in 2003
- Large number of teachers nationally board certified
- Nearly 60 percent of teachers hold advanced degrees
- Operating budget of \$1.9 billion for FY2006 – includes resources for recruitment and retention, the expansion of full-day kindergarten, instructional coaches, additional technology support, and additional summer school programs – to meet NCLB goals
- Current student demographics are approximately: 10.7 percent African American; .3 percent American Indian; 17.2 percent Asian American; 15.5 percent Hispanic; 4.5 percent Multiracial; and 51.4 percent Caucasian
- Since 2000, the LEP student population has increased by 80 percent
- For fiscal year 2005, FCPS Title I funding decreased from approximately \$12 million to \$9 million

Fredericksburg City

Virginia LEA: Fredericksburg City - Region III					
Estimated New NCLB Costs Related to the Federal No Child Left Behind Act					
Component Summary	Year One 7/03-6/04	Year Two 7/04-6/05	Year Three 7/05-6/06	Year Four 7/06-6/07	Year Five 7/07-6/08
Standards and Assessments	90,606	190,272	194,803	199,333	203,863
Accountability	69,659	146,285	149,767	153,250	156,733
Technical Assistance	146,622	307,907	315,238	322,569	329,900
Supplemental Services/School Choice	-	-	-	-	-
High Quality Educators	8,132	13,606	14,186	14,766	15,346
Data Management	15,696	32,962	33,747	34,532	35,317
NCLB Administration	194,625	204,357	214,088	223,819	233,550
TOTAL IDENTIFIED NEW NCLB COSTS	525,341	895,388	921,829	948,270	974,710
AVERAGE DAILY MEMBERSHIP (End-of-Year for 2003-2004) ¹	2,382	2,382	2,382	2,382	2,382
AVERAGE COSTS PER PUPIL	221	376	387	398	409

¹ – Figure from Fiscal Year 2004 – Table 15 of the Superintendents' Annual Report For Virginia – Sources of Financial Support for Expenditures for Operations and Total Per Pupil Expenditures for Operations

Halifax County

Virginia LEA: Halifax County - Region VIII					
Estimated New NCLB Costs Related to the Federal No Child Left Behind Act					
Component Summary	Year				
	Year One 7/03-6/04	Year Two 7/04-6/05	Year Three 7/05-6/06	Year Four 7/06-6/07	Year Five 7/07-6/08
Standards and Assessments	870,323	1,016,368	1,057,022	1,099,303	1,143,275
Accountability	249,904	291,839	303,513	315,653	328,279
Technical Assistance	397,245	463,905	482,461	501,759	521,830
Supplemental Services/School Choice	17,638	20,598	21,422	22,279	23,170
High Quality Educators	4,336	5,063	5,266	5,477	5,696
Data Management	82,469	96,308	100,161	104,167	108,334
NCLB Administration	110,767	129,354	134,529	139,910	145,506
TOTAL IDENTIFIED NEW NCLB COSTS	1,732,684	2,023,436	2,104,373	2,188,548	2,276,090
AVERAGE DAILY MEMBERSHIP (End- of-Year for 2003-2004) ¹	5,877	5,877	5,877	5,877	5,877
AVERAGE COSTS PER PUPIL	295	344	358	372	387

¹ – Figure from Fiscal Year 2004 – Table 15 of the Superintendents' Annual Report For Virginia – Sources of Financial Support for Expenditures for Operations and Total Per Pupil Expenditures for Operations

Henrico County

Virginia LEA: Henrico County - Region I					
Estimated New NCLB Costs Related to the Federal No Child Left Behind Act					
Component Summary	Year One 7/03-6/04	Year Two 7/04-6/05	Year Three 7/05-6/06	Year Four 7/06-6/07	Year Five 7/07-6/08
Standards and Assessments	735,989	793,954	877,599	888,308	898,308
Accountability	324,317	350,262	364,273	378,843	393,997
Technical Assistance	542,744	586,164	586,164	586,164	586,164
Supplemental Services/School Choice	-	-	-	-	-
High Quality Educators	49,824	53,809	53,809	53,809	53,809
Data Management	-	-	-	-	-
NCLB Administration	2,432,251	2,619,000	2,732,849	2,786,698	2,840,547
TOTAL IDENTIFIED NEW NCLB COSTS	4,085,125	4,403,190	4,614,694	4,693,823	4,772,826
AVERAGE DAILY MEMBERSHIP (End-of-Year for 2003-2004) ¹	44,762	44,762	44,762	44,762	44,762
AVERAGE COSTS PER PUPIL	91	98	103	105	107

¹ – Figure from Fiscal Year 2004 – Table 15 of the Superintendents' Annual Report For Virginia – Sources of Financial Support for Expenditures for Operations and Total Per Pupil Expenditures for Operations

Norfolk City

Virginia LEA: Norfolk City - Region II					
Estimated New NCLB Costs Related to the Federal No Child Left Behind Act					
Component Summary	Year One 7/03-6/04	Year Two 7/04-6/05	Year Three 7/05-6/06	Year Four 7/06-6/07	Year Five 7/07-6/08
Standards and Assessments	1,214,519	330,957	330,957	330,957	330,957
Accountability	462,372	423,905	385,640	385,640	385,640
Technical Assistance	-	-	-	-	-
Supplemental Services/School					
Choice	16,495	16,495	20,619	24,743	32,991
High Quality Educators	639,156	636,377	571,324	606,822	569,424
Data Management	20,225	18,261	18,261	18,261	18,261
NCLB Administration	7,993,121	6,005,127	5,944,766	5,739,974	5,927,801
TOTAL IDENTIFIED NEW NCLB COSTS	10,345,889	7,431,123	7,271,568	7,106,397	7,265,073
AVERAGE DAILY MEMBERSHIP (End-of-Year for 2003-2004) ¹	34,040	34,040	34,040	34,040	34,040
AVERAGE COSTS PER PUPIL	304	218	214	209	213

¹ – Figure from Fiscal Year 2004 – Table 15 of the Superintendents' Annual Report For Virginia – Sources of Financial Support for Expenditures for Operations and Total Per Pupil Expenditures for Operations

This information has been provided directly by the division to supplement the information provided in the full report and facilitate a greater understanding of the challenges facing the division in implementing the federal No Child Left Behind Act (NCLB).

ADDITIONAL FACTS – NORFOLK CITY PUBLIC SCHOOLS

Demographics

- Urban city in the Hampton Roads area with a population of 225,000 within a metropolitan area of 1.5 million
- Home to the largest naval station in the world
- School division contains approximately 37,000 students and 3,000 teachers
- There are 35 elementary schools, 8 middle schools, 5 high schools, in addition to other auxiliary facilities (including alternative, magnet, and specialty programs)
- School division offers an International Baccalaureate Program
- Current statistics show a graduation rate of 87 percent
- School division has 18 elementary Title I school-wide schools

Current NCLB Challenges

- Attracting and retaining highly qualified staff (teachers, paraprofessionals and principals)
- Providing high quality professional development
- Increasing English language proficiency of LEP students
- Increasing assessment participation rate
- Providing scientifically research-based instructional materials
- Providing research-based prevention/intervention/remediation programs

Strategic Actions Being Undertaken to Ensure NCLB Requirements Continue to be Met

- Providing additional incentives for attracting and retaining high-quality teachers in Title I schools
- Providing high quality professional development for all staff
- Encouraging and supporting teachers to seek additional endorsements when eligible
- Providing additional support for teachers to pass PRAXIS exam in order to be highly-qualified
- Piloting a Title I Summer Book Club for students (home reading program)
- Piloting a Pre-kindergarten Summer Transition Program for students at risk of academic failure
- Increasing opportunities for parental involvement and communication on NCLB
- Providing opportunities for paraprofessionals with instructional duties to become highly-qualified
- Piloting an ESL in-school service model for LEP students
- Training a math resource teacher in each Title I school
- Increasing the number of extended day programs and Saturday academies

Roanoke County

Virginia LEA: Roanoke County - Region VI					
Estimated New NCLB Costs Related to the Federal No Child Left Behind Act					
Component Summary	Year One 7/03-6/04	Year Two 7/04-6/05	Year Three 7/05-6/06	Year Four 7/06-6/07	Year Five 7/07-6/08
Standards and Assessments	9,781,838	5,688,367	10,450,850	14,666,930	14,980,194
Accountability	2,633,563	2,608,417	3,226,139	3,226,180	3,253,746
Technical Assistance	2,109,129	2,109,129	2,636,411	3,163,693	3,690,975
Supplemental Services/School Choice	-	-	-	-	-
High Quality Educators	1,434,268	1,463,635	1,534,876	1,606,117	1,677,358
Data Management	629,809	314,904	629,809	787,261	944,713
NCLB Administration	227,122	158,768	182,133	204,171	226,208
TOTAL IDENTIFIED NEW NCLB COSTS	16,815,729	12,343,220	18,660,218	23,654,352	24,773,194
AVERAGE DAILY MEMBERSHIP (End-of-Year for 2003-2004)	14,382	14,382	14,382	14,382	14,382
AVERAGE COSTS PER PUPIL	1,169	858	1,297	1,645	1,723

1 – Figure from Fiscal Year 2004 – Table 15 of the Superintendents' Annual Report For Virginia – Sources of Financial Support for Expenditures for Operations and Total Per Pupil Expenditures for Operations

This information has been provided directly by the division to supplement the information provided in the full report and facilitate a greater understanding of the challenges facing the division in implementing the federal No Child Left Behind Act (NCLB).

Virginia LEA: Roanoke County - Region VI					
Estimated New NCLB Costs Related to the Federal No Child Left Behind Act					
ESTIMATED COSTS OF PREVENTION STRATEGIES IN ORDER FOR THE DIVISION AND ITS SCHOOLS TO CONTINUE TO MAKE AYP					
Component Summary	Year One 7/03-6/04	Year Two 7/04-6/05	Year Three 7/05-6/06	Year Four 7/06-6/07	Year Five 7/07-6/08
Standards and Assessments	1,700,107	1,734,109	1,768,791	1,804,167	1,840,250
Accountability	1,821,814	1,858,250	1,895,415	1,933,324	1,971,990
Technical Assistance	4,011,286	4,109,096	3,989,060	3,871,019	3,755,014
Supplemental					
Services/School Choice	2,879,586	2,937,178	2,995,921	3,055,840	3,116,956
High Quality Educators	2,083,189	2,124,853	2,167,350	2,210,697	2,254,911
Data Management	1,141,532	1,164,363	1,187,650	1,211,403	1,235,631
NCLB Administration	731,988	746,627	761,560	776,791	792,327
TOTAL IDENTIFIED NEW NCLB COSTS	14,369,502	14,674,476	14,765,747	14,863,240	14,967,080
AVERAGE DAILY MEMBERSHIP (End-of-Year for 2003-2004)	14,382	14,382	14,382	14,382	14,382
AVERAGE COSTS PER PUPIL	999	1,020	1,027	1,033	1,041

Virginia LEA: Roanoke County - Region VI

Estimated New NCLB Costs Related to the Federal No Child Left Behind Act

ESTIMATED COSTS ADDING PREVENTION STRATEGIES TO COSTS WITHOUT PREVENTION

Component Summary	Year One 7/03-6/04	Year Two 7/04-6/05	Year Three 7/05-6/06	Year Four 7/06-6/07	Year Five 7/07-6/08
Standards and Assessments	11,481,945	7,422,476	12,219,641	16,471,097	16,820,444
Accountability	4,455,377	4,466,667	5,121,554	5,159,504	5,225,736
Technical Assistance	6,120,415	6,218,225	6,625,471	7,034,712	7,445,989
Supplemental					
Services/School Choice	2,879,586	2,937,178	2,995,921	3,055,840	3,116,956
High Quality Educators	3,517,457	3,588,488	3,702,226	3,816,814	3,932,269
Data Management	1,771,341	1,479,267	1,817,459	1,998,664	2,180,344
NCLB Administration	959,110	905,395	943,693	980,962	1,018,535
TOTAL IDENTIFIED NEW NCLB COSTS	31,185,231	27,017,696	33,425,965	38,517,593	39,740,274
AVERAGE DAILY MEMBERSHIP (End-of-Year for 2003-2004)	14,382	14,382	14,382	14,382	14,382
AVERAGE COSTS PER PUPIL	2,168	1,879	2,324	2,678	2,763

Summary of Key Prevention Strategies Identified by Roanoke County:

- Disaggregating data to identify and address individual student areas of improvement and develop plans for student remediation efforts
- Providing remediation to students, including a provision for transportation
- Expanding current efforts regarding parental communication
- Providing small group tutoring (and occasional one-on-one tutoring) to improve student achievement
- Providing study groups for students with disabilities
- Lowering student/teacher ratios beyond what has been reported as NCLB additional costs without prevention – to further student achievement
- Assisting families of truant children through early intervention
- Providing additional distance learning opportunities – especially to homebound students – in order to provide for the continuity of instruction when students are unable to come to school
- Enhancing efforts to provide benchmark assessments that provide meaningful SOL test predictor information to teachers and administrators
- Enhancing current efforts related to the on-going evaluation of students
- Enhancing current lesson planning through the use and interpretation of student data
- Ensuring that curricula are continually evaluated for alignment with state standards

Washington County

Virginia LEA: Washington County - Region VII					
Estimated New NCLB Costs Related to the Federal No Child Left Behind Act					
Component Summary	Year One 7/03-6/04	Year Two 7/04-6/05	Year Three 7/05-6/06	Year Four 7/06-6/07	Year Five 7/07-6/08
Standards and Assessments	180,282	179,457	179,457	161,854	156,209
Accountability	61,810	61,810	61,810	61,810	61,810
Technical Assistance	66,000	66,000	66,000	66,000	66,000
Supplemental Services/School					
Choice	103,447	103,447	103,447	103,447	103,447
High Quality Educators	14,109	15,215	15,215	15,215	15,215
Data Management	-	-	-	-	-
NCLB Administration	14,634	1,370	1,370	1,370	1,370
TOTAL IDENTIFIED NEW NCLB COSTS	440,282	427,299	427,299	409,696	404,052
AVERAGE DAILY MEMBERSHIP (End-of-Year for 2003-2004) ¹	7,176	7,176	7,176	7,176	7,176
AVERAGE COSTS PER PUPIL	61	60	60	57	56

¹ – Figure from Fiscal Year 2004 – Table 15 of the Superintendents' Annual Report For Virginia – Sources of Financial Support for Expenditures for Operations and Total Per Pupil Expenditures for Operations

APPENDIX B – EXPLANATION OF SEA CONTRIBUTION TO LOCAL EFFORTS AS SHOWN IN FIGURE 2 OF THE APA REPORT

Estimated New NCLB Costs Related to the Federal No Child Left Behind Act				
	Year One	Year Two	Year Three	Year Four
Component Summary	7/04-6/05	7/05-6/06	7/06-6/07	7/07-6/08
Standards and Assessments	7,301,848	7,757,157	7,704,659	8,247,224
Accountability	282,994	288,978	298,997	308,716
Technical Assistance	1,971,770	2,098,513	2,123,506	2,140,320
Supplemental Services/School Choice	384,144	404,530	1,206,468	1,206,272
High Quality Educators	3,378,530	3,887,031	2,834,743	2,896,795
Data Management	2,997,776	400,000	400,000	400,000
NCLB Administration	4,622,812	5,345,826	5,385,468	5,411,147
TOTAL IDENTIFIED NEW NCLB COSTS	20,939,872	20,182,034	19,953,841	20,610,475
Total Deductions – SEA Costs Not Directly Linked to LEA Support/Technical Assistance	8,736,848	9,317,157	8,429,659	8,972,224
New NCLB Costs Attributable Directly to LEA Service (Total Identified New NCLB Costs - Total Deductions for Services Not Directly Linked to LEA Support/Technical Assistance)	12,203,025	10,864,878	11,524,182	11,638,251
State General Funds Provided for NCLB Requirements for Student Record Collection Database (beginning in fiscal year 2005-2006)	0	3,250,591	3,250,591	3,250,591
State General Funds Initiatives Directly Linked to NCLB (Mentoring & Induction, Virginia Teacher Corps, Turnaround Specialists, Virtual AP, and Leadership Development Grants)	2,414,375	4,633,379	4,633,379	4,633,379
TOTAL STATE CONTRIBUTION TO LOCAL EFFORTS (New NCLB Costs Attributable + Costs for Student Record Collection Database + State General Funds Initiatives Linked to NCLB)	14,617,400	18,748,848	19,408,152	19,522,221

APPENDIX C – GLOSSARY OF TERMS

Achievement Gap: Differences in academic performance among student groups.

Accommodation: An accommodation is an adjustment or allowance made during SOL testing to meet a particular need of an individual student, in accordance with an IEP, §504, or LEP plan. There are standard and non-standard accommodations. Standard accommodations allow the student to take a test in a different manner without changing what the test measures (e.g., Braille, auditory tests). Nonstandard accommodations significantly change what the test measures.

Academic Reviews: The School-Level Academic Review is a process designed to help schools rated Accredited with Warning identify and analyze instructional and organizational factors affecting student achievement. The focus of the review is on systems, processes, and practices that are being implemented at the school and division levels. The team conducts the review according to indicators that are based on state laws and regulations as well as research-based best practices. Based on their findings, the team provides the school and the division with information that can be used to develop, revise, and implement the school's three-year improvement plan (SIP), as required by the Standards of Accreditation (SOA). Review teams are usually appointed by the Superintendent of Public Instruction but, under certain circumstances, may be appointed by a division superintendent.

Annual Measurable Objectives (AMO): The annual target for the percentage of students whose test scores must be at the level of proficient or above in English/language arts and mathematics. Meeting the AMO is the first step toward demonstrating Adequate Yearly Progress (AYP) under NCLB.

Augenblick, Palaich, and Associates, Inc. (APA): The Denver-based consulting firm hired by the CCSSO to develop a model framework for states participating in the cost consortium to use in determining the activities required to implement NCLB and their associated costs.

Adequate Yearly Progress (AYP): A goal of the 2001 NCLB that requires schools and districts to measure and report students' annual progress toward 100 percent proficiency in English/language arts and mathematics by 2013-2014. Progress is based on whether the school or division met its Annual Measurable Objectives (AMO) and demonstrated 95 percent participation on standardized tests, achieved its target on the Academic Performance Index, and, for high schools, met target graduation rates.

Council of Chief State School Officers (CCSSO): A nationwide, nonprofit organization composed of officials who head each state's department of elementary and secondary education.

Dissaggregated Data: Test results sorted by groups of students. Groups include students who are economically disadvantaged, from racial and ethnic groups, have special education needs, or have limited English proficiency. Disaggregated data allow parents and teachers to see more than just the average score for a student's school—it also shows how each student group is performing.

Education Information Management System (EIMS): The statewide student information system developed and maintained by the Virginia Department of Education.

Elementary and Secondary Education Act (ESEA): This term refers to the primary federal law affecting K-12 education. Congress reauthorizes it every six years. The most recent authorization is also referred to as the NCLB Act, approved by Congress in 2001 and signed into law by President George W. Bush in January 2002.

Federal Impact Aid – Payments for Federal Property to assist local school districts that have lost a portion of their local tax base because of Federal ownership of property. To be eligible, a school district must demonstrate that the Federal Government has acquired real property with an assessed valuation of at least 10 percent of all real property in the district at the time of acquisition.

Highly qualified: This term refers to a teacher who has obtained full state teacher certification and has demonstrated subject matter competency. All teachers of federal core academic subjects hired after the first day of the 2002-2003 school year and teaching in a program supported with Title I, Part A, funds must be “highly qualified.” All teachers of core academic subjects are to be highly qualified by the end of the 2005-2006 school year.

Individualized Education Program (IEP): "Individualized education program" (IEP) means a written statement for a child with a disability that is developed, reviewed, and revised in a team meeting in accordance with federal regulations. The IEP specifies the individual educational needs of the child and what special education and related services are necessary to meet the needs.

Individual with Disabilities Education Act (IDEA): Federal law has guided the delivery of special education services for students with disabilities since enactment of the *Education for All Handicapped Children Act* (P. L. 94-142) in 1975. The law pledged the availability of federal funding for states to provide a “free and appropriate public education” for every school-age child with a disability. Renamed the *Individuals with Disabilities Education Act* in 1990, and reauthorized in 1997 and again in 2004, the act emphasizes quality teaching, learning, and the establishment of high expectations for disabled children. The IDEA also strengthened the role of parents in the educational planning process, endorsed meaningful access to the general curriculum, and delineated how school disciplinary rules and the obligation to provide a free appropriate public education for disabled children fit together.

Limited English Proficiency (LEP): This term refers to students for whom English is a second language and who are not reading or writing English at their grade level.

Local Education Agency (LEA): This is the term used by federal education law to describe a local school division.

NCLB Act (No Child Left Behind): Federal legislation, signed into law in 2001 that requires states to demonstrate progress from year to year in raising the percentage of students who are proficient in reading and mathematics and in narrowing the achievement gap. NCLB sets five performance goals for states:

- All students will reach high standards, at a minimum attaining proficiency or better in reading/language arts and mathematics by 2013-2014.
- All limited English proficient students will become proficient in English and reach high academic standards, at a minimum attaining proficiency or better in reading/language arts and mathematics.
- All students will be taught by highly qualified teachers by 2005-2006.
- All students will learn in schools that are safe and drug free.
- All students will graduate from high school.

The purpose of the Act is “to close the achievement gap with accountability, flexibility, and choice so that no child is left behind.”

Nonpersonal Services: All services (costs) provided to or by state agencies that do not involve a direct charge for salaried or wage employees. Examples of nonpersonal services include contracts, conferences, equipment, and supplies. This term is used only in the SEA cost study.

Parental Involvement: The participation of parents in regular, two-way, meaningful communication involving students’ academic learning and other school activities. The involvement includes ensuring that parents play an integral role in their child’s learning; that parents are encouraged to be actively involved in their child’s education at school; that parents are full partners in their child’s education and are included, as appropriate, in decision-making and on advisory committees. Parental involvement is one of the components of NCLB.

Personal Services: Salary, fringe, and wage costs related to personnel of state agencies. This term is used only in the SEA cost study.

School Choice – Title I schools identified as needing improvement have to provide the option for students to transfer within the division to a school that has made AYP. The school division is required to provide transportation to those students. The law requires that priority in school choice be given to low-achieving children from low-income families. However, if all public schools served by the district are classified as schools in need of improvement, the district should try to establish a cooperative agreement with other districts in order to provide school choice.

Schools in Improvement Status – A Title I school that fails to meet adequate yearly progress (AYP) targets defined by the state for two or more years is classified as in need of improvement and is subject to the following consequences:

Schools in Need of Improvement in Year 1 - Title I schools in Year 1 of Title I School Improvement Status must adopt effective instructional practices and inform parents of their rights under the law, including the option of transferring their children to a higher performing public school.

Schools in Need of Improvement in Year 2 - A Title I school identified for improvement that does not make AYP in the same subject area for three consecutive years enters Year 2 of Title I School Improvement Status. Title I schools in Year 2 of Title I School Improvement Status must offer students supplemental educational services, such as tutoring, and continue to offer transfers to higher performing public schools.

Schools in Need of Improvement -- Year 3 (Corrective Action) - A Title I school identified for improvement that does not make AYP in the same subject area for four consecutive years enters Year Three of Title I School Improvement Status. Title I schools in Year Three of Title I School Improvement Status must take corrective action as specified in the federal law, and continue to offer students supplemental education services and transfer options to higher performing public schools.

Schools in Need of Improvement -- Year 4 (Restructuring-planning) - School divisions must initiate restructuring plans for Title I schools that move into Year Four of Title I School Improvement. Restructuring plans for Title I schools may include: 1) reopening the school as a charter school; 2) replacing staff relevant to the school's failure to make progress; or 3) Turning the management of the school over to a private educational management company with a demonstrated record of effectiveness.

Schools in Need of Improvement -- Year 5 or more (Restructuring-implementation) - Restructuring plans would be implemented if a Title I school fails again to make AYP in the same subject area during 2005-2006 and moves into year five of improvement status. Title I schools in Year Four of Title I School Improvement also must continue to offer public school choice and supplemental services.

Standards of Accreditation (SOA): As authorized in the SOQ (§22.1-253.13:3 of the Code of Virginia), the Standards of Accreditation are the Board of Education's regulations that establish criteria for approving public schools in Virginia.

Standards of Learning (SOL): The Standards of Learning for Virginia Public Schools (SOL) describe the commonwealth's expectations for student learning and achievement in grades K-12 in English, mathematics, science, history/ social science, technology, the fine arts, foreign language, health and physical education, and driver education.

Standards of Quality (SOQ): The Constitution of Virginia requires the Board of Education to determine and prescribe standards of quality for the public schools of Virginia, subject to revision only by the General Assembly. These standards are known as the Standards of Quality (SOQ). The SOQ prescribe the minimum foundation

program that all public schools must meet. (See §§22.1-253.13.1 through 22.1-253.12, of the Code of Virginia).

Stanford English Language Proficiency Test (SELP) – The state-approved English language proficiency assessment as required by NCLB. The SELP test, developed by Harcourt Assessment, Inc., assess the speaking, listening, reading, and writing skills of all limited English proficient (LEP) students.

State Education Agency (SEA): This term refers to the Virginia Department of Education and other state departments of education, which under federal law are primarily responsible for the supervision of a state’s public elementary and secondary schools.

Supplemental Education Services (SES): Students in a Title I school identified as needing improvement for two consecutive years are eligible to receive outside tutoring. Parents can choose the appropriate services for their child from a list of state-approved providers. The school division must pay for the services using Title I funds.

Teacher Education and Licensure system (TEAL): The statewide database that tracks all teachers, their school(s) of employment, and their professional credentials.

Title I, Part A: This program provides financial assistance through State educational agencies (SEAs) to local educational agencies (LEAs) and public schools with high numbers or percentages of poor children to help ensure that all children meet challenging state academic content and student academic achievement standards. LEAs target the Title I funds they receive to public schools with the highest percentages of children from low-income families. Unless a participating school is operating a schoolwide program, the school must focus Title I services on children who are failing, or most at risk of failing, to meet state academic standards. Schools enrolling at least 40 percent of students from poor families are eligible to use Title I funds for schoolwide programs that serve all children in the school.

U. S. Department of Education (USED): The federal agency that oversees the implementation of federal laws as they apply to public education in the United States. As a part of this responsibility, USED promulgates regulations to implement laws, such as NCLB, disperses grants appropriated to the states, and monitors compliance.

Virginia Grade Level Alternative (VGLA): An assessment developed to meet the NCLB requirement that all students, including those with disabilities, be assessed on statewide accountability measures for the purpose of measuring AYP. Both the reauthorized IDEA and NCLB require states to create alternate assessments for students who are unable to take the general statewide assessments. NCLB allows creation of an alternate assessment based on grade level content and achievement standards. The VGLA is an alternate assessment evaluated against grade level achievement standards.

Virginia Alternate Assessment Program (VAAP): The reauthorized IDEA (2004) requires states to develop an alternate assessment for students with significant cognitive disabilities who cannot participate in the general statewide assessment program even with accommodations. Students participating in the VAAP are evaluated against alternate achievement standards aligned to grade level content standards.

Virginia Substitute Evaluation Program (VSEP): An assessment used to enable certain students with unique disabilities to earn credits towards graduation.

504 Plan –The Rehabilitation Act of 1973, Section 504 (known as "Section 504" or simply "504"). "Section 504" prohibits discrimination on the basis of disability against an "otherwise qualified individual with a disability", who has an impairment that substantially limits one or more major life activities by any entity receiving federal financial assistance. This includes public elementary and secondary schools, and essentially all public and private colleges, and others (such as public employers). This plan is developed students who are qualified individuals under §504 but who are eligible for services under IDEA.