

Domesticating a Revolution: No Child Left Behind Reforms and State Administrative Response

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In recognition of the increased demands facing state education departments in this accountability-focused era, Gail L. Sunderman and Gary Orfield present results from a study on the response of these agencies to the No Child Left Behind Act (NCLB). In this article, Sunderman and Orfield analyze issues of state capacity, compiling data from interviews, policy and program document analysis, and budget and staffing information. They find that state education departments, which are tasked with intervening in underperforming schools to ensure 100 percent proficiency for all students under NCLB, may not have the necessary human and financial resources or organizational capacity to adequately meet their increased responsibilities. In addition to issues of capacity, structural, functional, and political factors all limit the ability of state education departments to completely fulfill their new administrative roles. Sunderman and Orfield suggest that state education departments have shown good faith in their responses and suggest that the federal law turn its attention to necessary infrastructure improvement instead of further increased responsibilities.

The No Child Left Behind Act of 2001 (NCLB) represents the most extraordinary expansion of federal power over public schools in American history. However, it relies not on the small federal bureaucracy but on state education agencies to play the crucial role in implementing the federal mandates. Since states set the framework of education requirements and policy through laws, have sweeping authority over public schools, and are traditionally central in the administration of many federal grant programs, this is not surprising. Under NCLB, states are required to develop testing systems. Few preferred to collect and publish sensitive racial and ethnic data, to brand their

Harvard Educational Review Vol. 76 No. 4 Winter 2006
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schools as failures on the basis of congressional criteria, to demand levels and timing and uniformity of educational progress that are unprecedented, to force dramatic educational change, and to be prepared to implement drastic sanctions against many of their schools and districts. For the relatively small agencies that generally make modest efforts to distribute resources and ensure compliance with laws much less coercive than NCLB, and usually in a climate of professional collaboration, these are drastic changes. Because the conditions of the law are extraordinary, the new resources are modest, and the requirements reach much further into the internal operation of schools than any previous federal intervention, NCLB tests the capacity of federal law to force substantive educational change on the country, and the capacity of state agencies to accomplish federal goals and administer sweeping sanctions aimed at reaching many schools and districts.

If the goals of NCLB were realized and a modest federal share of school spending could be used to successfully leverage vast reforms, it would represent a fundamental change in the development of the nation's most visible and important public institutions. Should the effort fail because the states cannot implement the changes due to lack of capacity, conflict over goals, or the intrinsic unworkability of the changes demanded, there would be important consequences for the future of educational federalism, for the future of the state agencies, and for the public debate about education reform. Although the vast majority of the discussion of NCLB has concerned actions of the federal government or issues at the local school district level, it is impossible to understand the policy results or the basic lessons of the implementation efforts without understanding the state role.

In a true federal system, where the state and national governments have their own independent political and legal systems, there is always tension over the division of power and authority. These issues have been particularly salient in struggles over school policy. In the United States, where only the president and vice president are elected nationally and all members of Congress, as well as state officials, are elected or appointed at the state or local level, disgruntled state and local officials and citizens have channels for changing federal programs, since these programs depend on appropriations and laws from Congress and because members of the House and Senate depend on state and local electorates, not the White House, for their survival. The administrative and professional struggles over implementation of a controversial federal law are likely to enter into politics. This has surely happened with NCLB, with many legislatures expressing their displeasure with the law, elected and appointed officials in some states becoming active critics, and the federal government beginning to move from a posture of imposing rigid requirements to one of negotiating and permitting many changes that it previously resisted.

One of the unusual aspects of NCLB is that it was created with limited consultation with leading education experts, either researchers or professional

leaders, and it embodied requirements that few experts thought could possibly be attained. Normally the major interest groups and the responsible state and local officials are actively involved in shaping important federal grant programs (Peterson, Rabe, & Wong, 1986; Ripley & Franklin, 1991). A rare exception was the role federal education officials played in implementing racial change under the Civil Rights Act of 1964 (Orfield, 1969). In the case of NCLB, a congressional majority and a president hostile to the education establishment were determined to impose major policy revisions and to require unprecedented improvement in results (DeBray, 2005). With the law's requirements backed by widespread sanctions that became increasingly evident by 2005, it is not surprising that there was severe conflict between federal and state officials. Yet one interesting finding from this study is that even when there were disagreements and conflicts over the requirements, state administrators usually tried to comply with the law by implementing data collection and testing requirements in addition to market-based sanctions, even as political battles raged around them. This makes the study of state response and capacity all the more interesting. What the law confronted was not systemic resistance and sabotage at the state level but conflicts between federal demands and local realities, with the state officials feeling the pressure from both sides and trying to keep going.

Two types of capacity are critical to understanding states' abilities to implement NCLB: the human and financial resources available to the state and local agencies, including expertise in a broad range of areas; and the organizational capacity, including the systems necessary to meet the data management and testing requirements and the formal and informal organizational networks between state and local authorities that provide technical assistance and support to local districts and schools (McDermott, 2004). Within this framework, we take into account three types of factors that facilitate or constrain the activities state education agencies took in response to the NCLB requirements. Structural factors are related to how the education system is organized (i.e., through a multilevel governance system) and the limited influence state actors have on schools and districts as a result of this structure. Other factors are functional and related to state agencies' primary responsibilities, including monitoring for compliance, issuing regulations and guidelines, and operating as a conduit for the distribution of federal and state funds. The third set of factors are political and include the pressures operating on states to undertake some activities rather than others, while being pressed from Washington to comply with federal requirements.

In this article, we trace the development of the state role in education and how this shaped both the structure of the education system and the functions that state education departments perform. This historical development has implications for the ability of state agencies to meet the NCLB requirements. We also argue that the way the U.S. Department of Education has interpreted and enforced the law has reinforced the monitoring and regulatory functions

of state education agencies and increased the need for people with specialized professional knowledge in particular areas. Next we examine the constraints states face in implementing NCLB, including inadequate financial and human resources and limited state capacity to intervene in local districts and schools. Finally, we show how strains on state capacity have resulted in many states' inability to meet some of the most basic requirements of NCLB. We also examine how states negotiated tensions between limited resources and increased demands.

Data and Methods

Policy researchers cannot effectively study the administrative politics involved in the enforcement of controversial policies by sending questionnaires to a random sample of officials about extremely sensitive issues, particularly regarding discussions of the limitations of their own agencies to meet the law's requirements and confront the legal and political conflicts affecting their work. Therefore, to ensure the most accurate results, this article uses a case study methodology that focuses on interviews with high-ranking administrators from various state education departments. We negotiated access to a sample of states that were selected according to criteria we consider of fundamental importance for exploring issues of state capacity. As part of a larger study on NCLB, we are following the law's implementation in six states: Arizona, California, Georgia, Illinois, New York, and Virginia. These states are geographically and politically diverse and represent the major regions of the United States. They have varying degrees of control over local education policies and were at varying stages of education reform prior to the passage of NCLB. Finally, each state selected has a large number of minority and low-income students, the primary intended beneficiaries of NCLB policies.

Between January and May 2005 we interviewed directors of federal programs, budget directors, officials responsible for accountability systems, assessment directors, school improvement program officials, and information and reporting officers. In addition to the interview data, we collected state policy documents, descriptions of programs designed to meet the NCLB requirements, and budget and staffing information, some of which we obtained from state education websites. We augmented our state interview data and policy documents with articles from local and national newspapers. The variety of qualitative data allowed us to verify information across the various sources. We begin here by tracing the historical development of state education departments and exploring how this shaped their capacity to respond to the NCLB requirements in the next section.

State Capacity in Historical Perspective

Although we discuss educational issues on a national level and the local press tends to cover school board conflicts and local leaders, public education in

the United States is largely controlled by state laws. In important respects we have fifty independent state educational systems with 15,700 local variations in districts that are loosely regulated by the states (U.S. Census Bureau, 2006). This variety is related to how different regions of the country developed historically, the demographic makeup of a state's population, differing ideas about how to provide schooling, and the resources available to support public education in each state (Wirt & Kirst, 1982). It is reflected in differences in how state superintendents are selected and in their authority and responsibilities vis-à-vis other state officials and agencies.

Since legal authority for education policymaking is vested with the legislature and governor and since state boards and superintendents exercise important powers, the system is highly political. That state education systems took varied institutional forms was affected by their historical experiences. For example, New England states developed highly decentralized systems rooted in their opposition to state-centered control that dates to before the Revolutionary War, whereas southern states developed highly centralized systems following the Civil War, which had devastated the ability of towns and counties to fund or manage education (Wirt & Kirst, 1982). Regardless of this variation, state leaders were crucial in establishing and expanding public education. Early in the nation's history, state constitutions recognized education as a public interest, and state governments provided public funds to support both public and private education (Tyack & Hansot, 1982). Both the common school movement in the 1800s and the progressive movement in the early 1900s relied on state reformers to advance first the expansion of public schools and later the professionalization of education.

State policies determine who can teach, what must be included in children's education, and, in most states, what must be learned to graduate and how it will be assessed. Historically, states have sought to standardize education by passing compulsory attendance laws, lengthening the school term, introducing the graded school, and using standardized textbooks to improve the curriculum (Tyack & Hansot, 1982). They have regulated who can teach through state certification requirements and standards for preservice teacher-training programs. These policies strengthened the state's legal authority over education, even when it was not exercised. States also pay for a large share of the education bill, often larger than local taxpayers and many times larger than the federal government. Needless to say, state officials must be involved in any systemic effort to change the education system.

While states have played a central role in expanding public education and developing policies to standardize and regulate education, until recently state education departments have remained relatively small and weak, with little control over most education decisions made at the local level. By the 1950s, local school boards and superintendents, particularly in large districts, held considerable decisionmaking authority and operated relatively autonomous-

ly from state or federal control. This began to change when the civil rights movement focused attention on achieving equity through improvements in the schooling opportunities for low-income and minority students. For the first time, the federal government became a significant player in education, largely through increased federal aid to public schools. With the increased federal role, a larger role for state education departments developed, both as a way to funnel money to local districts and to enforce and monitor the emerging federal requirements.

Prior to the enactment of the Elementary and Secondary Education Act (ESEA) in 1965, state education departments were small agencies that performed a limited range of functions, administering some federal grant programs, distributing funds, and collecting statistics. This role changed with the passage of ESEA, as federal officials relied on states to provide an organizational structure to administer federal funds, monitor implementation of the law's requirements, and divert attention from criticisms of federal control. The law provided modest but important resources to expand and professionalize state agencies, but in order to receive federal funds under these statutes, states had to develop and implement policies consistent with the requirements of the law. The Education Consolidation and Improvement Act of 1981 (ECIA), which reauthorized ESEA under President Reagan, gave states an even larger role in decisions about the allocation of funds than they had in the past (Darling-Hammond & Marks, 1983), again requiring states to take on new responsibilities. ESEA and civil rights laws were the catalysts for other federal legislation that relied heavily on state education departments for implementation and monitoring, including the All Handicapped Children Act of 1975, now the Individuals with Disabilities Education Act (IDEA); the Bilingual Education Act, now Title VII under ESEA and Title III under NCLB; and subsequent reauthorizations of ESEA.

The reform movements of the latter half of the twentieth century strengthened the state role in funding and regulating education. States responded to the school finance movement of the 1960s and 1970s and the standards movement of the 1980s and 1990s by introducing laws and regulations designed to monitor local compliance with federal and state requirements. By focusing on funding disparities between districts, states moved toward a more comprehensive approach to funding education. At the same time that states were, in many cases, ordered by their state supreme courts to equalize funding across districts, many states also adopted compensatory education programs as a means to provide additional resources for at-risk students, thus reinforcing federal efforts.

Under the reforms of the 1980s and 1990s, when both federal and state legislation embraced standards-based reform, state education agencies assumed more responsibilities. With these reforms, states extended the scope of regulations to include curriculum standards and expanded state testing.

These regulations were demanding but left districts with considerable discretion over implementation and instruction. At the federal level, the Improving America's Schools Act of 1994 (IASA) provided support for the standards movement by requiring that one set of standards apply to all students, but left the states ultimately responsible for developing and implementing curriculum standards and assessments. Progress varied as states molded the requirements to fit their own policy priorities and the capacity of their state agencies. Weak enforcement of IASA allowed the federal government to avoid state and local opposition to an expanded federal role in education. Even when NCLB became law in 2001, only twenty-one states were fully in compliance with the 1994 IASA (Sunderman & Kim, 2006). Even fewer had complied with the assessment requirements: seventeen states were in compliance, whereas thirty-five were not (General Accounting Office, 2002).¹ As chronicled by the *Education Week* yearly report *Quality Counts*, adoption of strong standards and accountability systems and the extent of state testing varied widely across the nation as of 2001, the year NCLB was enacted (Boser, 2001; Otlofshy & Olson, 2001).

By developing expertise in particular areas that allowed them to enforce the federal requirements, enact the state policies, and act as a conduit for the flow of federal and state money to school districts, state agencies defined their role largely in traditional bureaucratic terms (Elmore & Fuhrman, 1995). The bureaucratic structure of state agencies and the relative weakness of their staffs in the core areas of education reform meant they focused less on issues concerning the academic content of the curriculum, assessment, school organization, and management, precisely those areas now demanding attention under NCLB (Elmore & Fuhrman, 1995). The effectiveness of regulatory processes in controlling education is further limited by the loose coupling of the education system in which other levels have considerable autonomy and authority to affect how teachers organize the curriculum and deliver instruction (Rowan, 1990). The educational system is institutionally complex, and state education agencies are limited by a much wider system of organizational relationships that operate within the education system (Meyer, Scott, Strang, & Creighton, 1994). A whole network of organized interests, professional groups, the courts, business, and elected state and local officials affects education and is not easily controlled by the state education bureaucracy.

NCLB furthers the trend of making states central to implementing school reform efforts and relies on assumptions about the professional capacity of all state education departments, which varies from extensive professional staffs in the largest states to modest operations in the smallest and poorest, to achieve unprecedented educational progress and implement sanctions that will require deep interventions in thousands of schools that do not meet the required annual progress standards of the federal law. A fundamental question is whether state agencies have the resources, knowledge, and organizational capacity to intervene on the scale demanded by NCLB.

State Responsibilities under NCLB

State responsibilities under NCLB are extensive. States must develop and administer an accountability system that assesses students annually and, based on those assessments, must determine whether schools and districts are making adequate yearly progress (AYP). States must create and implement curriculum standards and assessments in reading/language arts and mathematics in grades three through eight and in at least one grade level in grades ten through twelve. As of 2007, science assessments are also required at three levels from grades three through twelve. As shown in Table 1, these requirements increased the number of tests in these three subject areas from the six that were required under the 1994 ESEA reauthorization to seventeen under NCLB (General Accounting Office, 2003). In addition to the tests in core subject areas, states must assess students with disabilities, providing both appropriate assessments and accommodations where necessary, and assess students learning English for English proficiency. Some assessments must be offered in a student's native language, while in other cases such assessments are prohibited. The law established a timeline for when these tests must be in place and determined that all students must score at the proficient level on state tests by 2014.

Because NCLB expanded previous data collection and reporting requirements, states now need information systems that can disaggregate student test scores by race, English-language ability, income level, and disability status and that can use this disaggregated data to make AYP determinations. States must also monitor teacher and paraprofessional qualifications to ensure that they meet NCLB's requirements for highly qualified teachers. This most recent reauthorization of ESEA added mandated sanctions, as well as timelines for when states must have all students score at the level that states have defined as "proficient" on state tests and when all teachers and paraprofessionals must be highly qualified.

Three significant elements in NCLB differ from previous legislation, significantly altering the state role and placing added demands and responsibilities on state education departments. First, requirements that all students, including all subgroups, must reach a state's proficiency goals by 2014 raises the expectations and goals of Title I by forcing states to bring all schools and all subgroups to the same level of performance within a relatively short period of time. NCLB requires universal high achievement for all students and attaches sanctions that become increasingly severe the longer a school or district does not meet the state's achievement goals. The law, which relies on outcomes rather than the provision of additional resources to improve student performance, operates on the assumptions that it is possible to bring all students to 100 percent proficiency and that state education agencies and boards will reallocate their scarce resources in ways that will allow all schools to meet this goal. It ignores the huge differences in resources between districts, which are closely related to the socioeconomic status of the students.

TABLE 1 *Number of Required Subject-Area Assessments in 1994 and 2001 ESEA Reauthorizations*

<i>Subject</i>	<i>1994 ESEA</i>	<i>2001 ESEA</i>
Reading/Language Arts	3	7
Mathematics	3	7
Science	0	3
TOTAL	6	17

Source: General Accounting Office (2003)

Second, states have a role in helping schools and districts improve under NCLB, a requirement that traditionally has not been a major state function. In the past, state agencies developed the expertise and capacity to funnel state and federal funds to local districts and to propagate regulations needed to monitor education, resulting in a bureaucratic structure that allowed them to perform some functions better than others. NCLB requires states to “establish a statewide system of intensive and sustained support and improvement for local educational agencies and schools” that have been identified for improvement (NCLB, 2002, Sec. 1117(a)(1)). Requiring states to intervene and to force change in schools and districts requires a different sort of capacity and expertise than that required to monitor or funnel funds to local districts. The law is very specific about what states must do, yet the resources provided are limited at best. While the law authorizes a separate program for school improvement, the federal government has never appropriated funds for this program.²

Third, the inclusion of timelines for when states must meet NCLB requirements means all states must end at the same place, regardless of where they start. Under NCLB, states must adhere to federally determined timelines for establishing accountability systems, having assessments in place, identifying failing schools, improving student achievement, establishing AYP goals, and ensuring teacher quality. The 1994 ESEA reauthorization included the possibility of timeline extensions, something not included under NCLB. For example, the ESEA reauthorization gave states until 2000–01 to phase in the testing requirements and allowed for time extensions beyond that. Under NCLB, states had to have all assessments in place by 2005–06 with no possible extensions.³

The challenge of implementing the NCLB requirements produced angry reactions from state and local officials. These were initially rejected by the U.S. Department of Education (DOE), which took a rigid approach to enforcing the NCLB requirements that did not recognize the complexity of state responsibilities. As political opposition to the law intensified, the DOE followed a process more typical of federally funded grant programs and loos-

ened some of the regulations governing the law, a sign of the stress the NCLB requirements placed on state education systems. The DOE gave states additional time to meet the highly qualified teacher requirements in recognition of questions about the validity of state data and the time it took states to develop data systems needed to track teacher requirements. In response to the rapidly increasing number of schools and districts labeled as failing and subject to the law's sanctions, a situation likely to overwhelm the capacity of states to intervene, the DOE negotiated numerous changes in state accountability plans that reduced the number of schools or districts identified for improvement, at least temporarily (Sunderman, 2006). Other changes allowed by the DOE acknowledged the difficulties of holding English-language learners and students with disabilities to the grade-level standards and the lack of adequate means to assess these two subgroups. Despite these nods to limits on school, district, and state capacity, there was no serious effort made to determine in what areas states have the capacity to meet the law's requirements, where additional resources would be needed, and what areas might be outside the realm of state expertise and capacity.

At the same time the administration was approving ad hoc changes to state accountability plans, it was also developing policies that reinforced the administrative and management functions of state education agencies and strengthened the need for people with specialized professional knowledge in accountability and testing but not in substantive educational reform. In April 2005, Secretary of Education Margaret Spellings (2005) announced a new policy that was intended to give states additional flexibility in implementing the law. Under this policy, the secretary outlined a set of guiding principles that the DOE would take into account when considering whether to approve further amendments to state accountability plans. These principles emphasized testing and accountability, access to information, implementation of the transfer and supplemental services provisions, and a means for demonstrating that all teachers are highly qualified. There was no mention of developing an effective system to help low-performing schools and districts build the capacity needed to provide quality instruction. In fact, the law set aside far greater sums to provide supplemental educational services chosen by parents and transfers to other public schools than to enable state officials to radically reform hundreds of schools in their states.

The focus on testing and accountability, data collection, teacher qualifications, and market mechanisms to improve schools outlined in this new policy means that states are likely to use a narrow range of instruments, strategies, and tools when implementing NCLB and to rely primarily on mandates that produce short-term results rather than focusing on more long-term strategies that build the capacity of schools and districts to improve instruction (Elmore & Fuhrman, 1995). For example, the emphasis on testing and accountability requires states to develop the capacity to administer tests and reinforces the state role in monitoring the yearly academic progress of schools and districts.

It requires huge investments of the financial and human resources that reside in the state education agency and diverts large sums of money to testing companies for the development and administration of tests. The focus on teacher quality, defined as state certification, reinforces the traditional role and administrative function of states in certifying teachers but also requires them to collect much more information on teachers than they did previously. The emphasis on access to information and providing school, district, and state report cards will require states to develop elaborate data collection and reporting systems. Since such systems rely on data reported by local districts, states must also support the development of local infrastructure. Additionally, if states are to ensure that districts are implementing supplemental services in good faith and expanding district capacity for public school choice, additional capacity to monitor and evaluate these programs will be required.

The lack of emphasis in these principles on helping schools and districts develop the capacity that will help them improve and the federal administration's ideological allegiance to market principles may inhibit rather than encourage states to use their resources to build the instructional capacity of schools or districts or to develop the technical expertise necessary to support school improvement efforts. The combination of demand for unprecedented results and the expectation that state agencies had the capacity to impose unspecified reforms that would achieve them created massive challenges to states in meeting even the first parts of the required changes. And, in fact, there is substantial evidence that little or nothing in the way of real gains, independently measured, were accomplished in the first four years of the program (Lee, 2006).

Constraints on Implementing NCLB

NCLB combines extremely demanding educational goals with extremely limited administrative resources. The act includes the assumption that drastic change can and should be imposed on the education system, but it also reflects the antigovernment, antibureaucratic assumptions of the conservative political movement that created it. In some states, the antibureaucratic assumptions in state politics led to slashes in state professional staff, even as the responsibilities for complex educational intervention soared. For example, since teacher organizations are always one of the dominant forces in state education policy while state bureaucrats have little political constituency, it is often popular to cut the "bureaucracy" to fund teacher salaries. The state experts who are required to create massive new assessment and data systems and do whatever is needed to achieve huge educational gains are, on the one hand, given massive responsibilities, and, on the other are spoken of as if they were a waste of money. As another example of how antibureaucratic political preferences led to insufficient state-level supports, the act sets aside a much larger share of the Title I budget for two market-driven reforms that

are assumed to have a powerful impact on school reform—supplemental educational services and the transfer option—than it does to support state intervention activities. Neither district administrators, school principals, nor state administrators were dealt with in a coherent way in the act, although studies of systemic school reform show that strong and consistent leadership is critical to successful school reform. In this section we examine the financial and human resources available to state education agencies for responding to the NCLB requirements and their capacity to intervene in local schools.

Limited Financial Resources

When Congress passed NCLB, there had been significant recent growth in public school expenditures. Between 1998 and 2001, overall federal spending for elementary and secondary education had increased by 50 percent and by almost 20 percent for Title I. Even so, the federal share of educational spending was only about 8 percent of the total cost, less than its share a third of a century ago. Written into the law was also the expectation that appropriations would continue to grow rapidly to offset the increased requirements placed on states, an increase viewed as a condition under which the goals of the legislation could be realized.

The implementation of NCLB coincided with the biggest decline in state revenues in at least twenty years (Boyd, 2003) and the most severe fiscal situation in sixty years (National Governors Association & National Association of State Budget Officers, 2004). For at least three consecutive years, FY 2002 through FY 2004, states reported budget shortfalls at some point. States, which are legally obligated to balance their budgets, used a variety of methods to bring their budgets into balance, including across-the-board cuts to state programs (including education) and employee layoffs. In California, a state with one of the largest budget shortfalls, the governor sought wage reductions at state agencies and called for them to trim 20 percent from their budgets (National Conference of State Legislatures, 2003). The governor of Ohio signed an executive order in March 2003 that cut funding to the Ohio Department of Education by \$9.3 million and state aid to schools by \$90.6 million (Ohlemacher & Okoben, 2003). In FY 2004, Illinois cut the amount of funds available for state education agency staff by \$7.1 million over the previous year (Illinois State Board of Education, 2003).

NCLB provided additional money, but much of this increase came during the first year, FY 2002, when Title I funding increased 18.11 percent and total appropriations for elementary and secondary education increased 17.43 percent (Table 2). Subsequent increases have been smaller and are negligible when factoring in inflation. Appropriations for Title I actually decreased in FY 2006. The 3 percent increase in Title I grants to local districts in FY 2005 did not keep pace with the 6 percent increase in the number of children in poverty (Center on Education Policy, 2005b). The president's proposed FY 2007 budget held Title I funding constant while reducing overall appropria-

TABLE 2 *Title I Grants to Local Education Agencies (LEAs) and Total Elementary and Secondary Education Appropriations (in thousands of dollars), FY 1998–2007*

<i>Fiscal Year</i>	<i>ESEA Title I Grants to LEAS</i>	<i>% Increase from Prior Year</i>	<i>Total Elem. & Secondary Appropriation</i>	<i>% Increase from Prior Year</i>
1998	\$ 7,375,232	1.09	\$18,164,490	10.28
1999	7,732,397	4.84	20,951,877	15.35
2000	7,941,397	2.70	22,600,399	7.87
2001	8,762,721	10.34	27,316,893	20.87
2002	10,350,000	18.11	32,078,434	17.43
2003	11,688,664	12.93	35,113,253	9.46
2004	12,342,309	5.59	36,942,478	5.21
2005	12,739,571	3.22	37,530,257	1.59
2006	12,713,125	-0.21	37,863,840	0.89
2007*	12,713,125	0	36,276,140	-4.19

Source: U.S. Department of Education (2006a)

Note: *2007 President's Proposed Budget

tions for elementary and secondary education by 4.19 percent. These reductions came at the same time federal demands were increasing and states were required to raise proficiency levels, have additional assessments in place, and ensure that all teachers were highly qualified.

The law gave states modest funding for administration but simultaneously imposed major new requirements to existing programs and established new priorities, which meant funds were often shifted from one area to another.⁴ For example, the administration cut or reduced some federal programs that had provided support for state agencies, such as the Title V Innovative Programs and the Comprehensive School Reform Demonstration program, and consolidated others. Rapidly growing states received proportionally lower per-student funding because of “hold harmless” provisions in the law that limit the amount of funding that states with declining student populations can lose. Some states lost Title I funds when these provisions were applied (Center on Education Policy, 2005b). Finally, some areas, such as the requirements to monitor supplemental service providers, develop data collection and reporting capacity, and provide school improvement support, added to state responsibilities.

A central component of NCLB requires states to provide additional support for low-performing schools and districts. Even though this represents a major challenge for states — the record on state intervention is poor — the amount of funding appropriated under NCLB was small and did not repre-

sent additional money but rather a reallocation of Title I funds. NCLB includes two mechanisms for states to receive funds for school improvement activities, one of which has never received appropriations. Section 1003(g) of the act authorizes a separate program for school improvement under which states could receive grants that they could then award to districts for school improvement activities. The law stipulates that these grants are not less than \$50,000 or more than \$500,000. The state could reserve a portion of these grants (5%), if they were available, for administration, evaluation, and technical assistance. Since the federal government has never appropriated funds for this program, school improvement activities must be taken from the Title I basic grant. Until NCLB, Congress had been moving toward funding comprehensive school reforms, reflecting research suggesting that serious multi-year efforts to fundamentally restructure schools and implement coherent curricula with retrained teachers was essential to achieve lasting results. This effort received a substantial boost when Congress passed the Comprehensive School Reform Demonstration Program (frequently referred to as Obey-Porter) in 1997, which provided competitive grants to districts to implement comprehensive school reform models. Although NCLB contains many references to “research-based” methods of producing gains, its basic requirements for AYP did not reflect that research and its failure to continue funding such models, as well as the pressure for immediate test score gains, undermined those approaches where they were already under way.

The set-aside requires states to reserve a portion of their Title I funds for school improvement (NCLB, 2002, Sec. 1003(a)). Beginning with the 2005–06 school year, this reservation rose from 2 percent to 4 percent. Of this allocation, 95 percent must go to local educational agencies to support school improvement activities for schools identified for improvement (NCLB, 2002, Sec. 1003(b)). The remaining 5 percent may be used by the state educational agency “to carry out states’ responsibilities . . . including carrying out the state educational agency’s statewide system of technical assistance and support for local educational agencies” (NCLB, 2002, Sec. 10003 (a)). Since this reservation is tied to the overall Title I appropriations, the amount of the set-aside is related to overall increases (or decreases) in Title I funding; it does not represent additional funds and actually reduces Title I allocations to districts. Moreover, to meet the reservation and hold harmless provision, states move money between districts, causing some districts to lose money (Center on Education Policy, 2006) and, since districts can only use school improvement funds to help schools identified for improvement, there is less flexibility over the funds.

Since NCLB required massive changes in assessments and additional data collection, states used both federal and state funding in implementation. A number of states initiated cost studies to identify the monetary resources needed to meet NCLB requirements, and these studies indicated that there are new and substantial costs associated with NCLB; the costs are greater at

the district level than at the state level; and implementing the requirements will cost states and districts more than the increase they received in federal funds (Connecticut State Department of Education, 2005a, 2005b; Driscoll & Fleeter, 2003; Imazeki & Reschovsky, 2004; Palaich, Augenblick, Silverstein, & Brown, 2005; Patterson & Alter, 2005). These studies also indicate that while the administrative costs of implementing the new requirements are substantial, the costs of providing administrative support and remedial instructional services to poorly performing districts and schools would be far greater.

The cost studies differentiated between the administrative costs of implementing the NCLB testing and data collection requirements and the intervention costs, which are best understood as rough estimates of the costs associated with a full-scale effort to bring all students up to 100 percent proficiency. Virginia, which had a well-established state assessment and accountability system, conservatively estimated the costs of complying with the NCLB requirements to be between \$19.9 and \$20.9 million per year (Virginia Department of Education, 2005). They estimated that many of these costs were offset by the federal funds. However, their real costs were likely to be higher, since these estimates did not include the full costs of developing new tests for grades 4, 6, and 7, or the costs associated with testing students with disabilities. They also did not factor in the costs associated with developing an intervention program that would bring all students to 100 percent proficiency. Connecticut, which did include intervention costs, estimated that the state costs of meeting the NCLB requirements were \$41.6 million more than the funds received from the federal government (Connecticut State Department of Education, 2005a). Two key areas accounted for over 50 percent of this shortfall — meeting the testing requirements (\$8 million) and providing the support and technical assistance to low-performing schools and districts (\$18 million). Since there is no evidence that any amount of money could produce 100 percent proficiency, these are rough estimates of the costs of making significant test-score gains.

Minnesota concluded that the costs of the NCLB requirements could exceed the increase in federal funding but could not determine what this cost might be because of the uncertainty surrounding future federal funding levels and the unknown cost of bringing all students up to proficiency. Estimating this latter cost relies on projections of the future progress of students in meeting the proficiency targets and determining the type of interventions that may be applied to reach an unprecedented goal. Minnesota simulations showed that between 80 percent and 100 percent of elementary schools would fail to make the proficiency targets by 2014, the deadline for bringing all students to proficiency (Office of the Legislative Auditor, 2004). These simulations also showed that between 35 percent and 76 percent of elementary schools would be in restructuring by that date.

The range of costs associated with NCLB identified in these cost studies is in part accounted for by the different methods used, but they are also af-

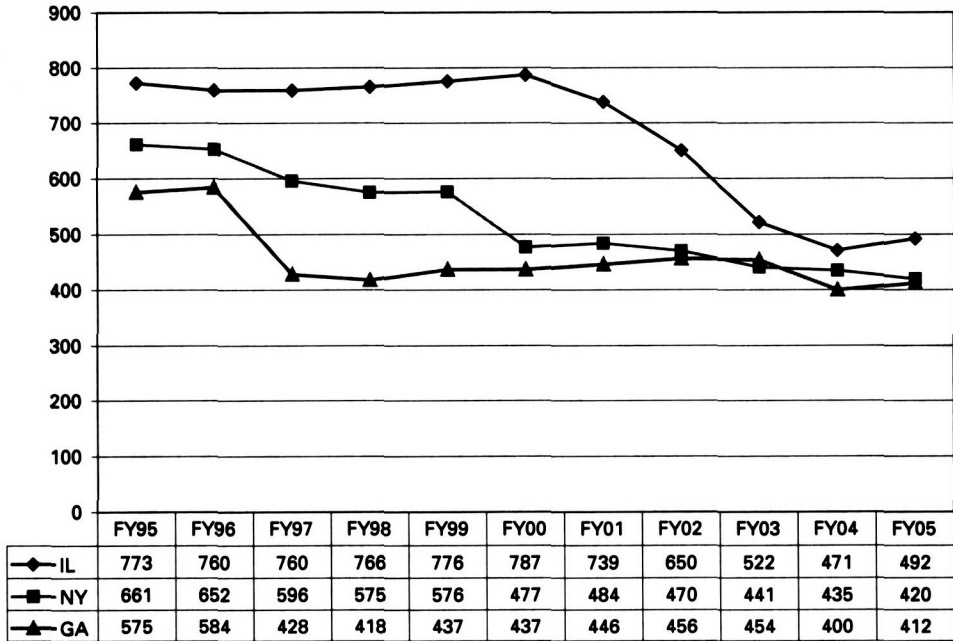
ected by state priorities and where states were prior to NCLB in developing a state accountability system. There are huge costs associated with the testing requirements in Connecticut, for example, because they wanted to retain challenging tests rather than adopt multiple-choice tests, which are much less expensive to administer. The differences are also related to assumptions states make about how many schools and districts will be in improvement status over time, what services will be needed to help students reach the proficiency goals, and how to ensure that all teachers are highly qualified (Center on Education Policy, 2005a). What is most clear from these studies is that NCLB gives state education agencies more responsibilities, many of which go beyond what state education departments have done in the past and are organized to do, and that additional state resources will be required to meet them.

Human Resources in State Education Agencies

Even though state education agencies developed bureaucratically in response to federal and state policies, state responsibilities increased far faster than either the size or expertise of the state education agencies. The reformers who dominated the standards movement that culminated in NCLB were simultaneously in favor of much more demanding requirements and opposed to bureaucracy, leading to the enactment of complex administrative duties with miniscule new resources. The increases in state funding for education that followed the school finance reforms in the 1960s and 1970s did not necessarily translate into larger budgets for state agencies, since much of these increases went to local districts in the form of formula grants. The standards movements also increased state responsibilities, but without giving equal attention to state capacity. At the same time, periodic recessions (i.e., early 1990s) and tax cuts initiated over a quarter century reduced state budgets, disrupted reform efforts, and checked the growth of state agencies. Even though state funding for education increased over time, state legislatures sent much of the increase to local districts rather than state agencies. Given the financial crisis they faced when NCLB was implemented, states lacked the resources to add significant numbers of staff to meet the additional requirements.

It was not unusual for state education agencies to experience a decline in the number of staff in the period prior to the passage of NCLB, which continued during the first years of implementation. Figure 1 shows historical staffing data from three states; Illinois, New York, and Georgia. The number of staff in the Illinois State Board of Education declined from 787 in FY 2000 to 492 in FY 2005, a 37.5 percent decrease during the time the state was implementing NCLB. The decline in the number of staff in the New York Office of Elementary, Middle, Secondary, and Continuing Education began in FY 1995. Over a ten-year period, the staff declined 36.4 percent in this office, compared to a 9.4 percent decline over the same time period in the umbrella agency, the New York State Education Department (New York State Educa-

FIGURE 1 Staffing Count, Illinois State Board of Education, New York Office of Elementary, Middle, Secondary, and Continuing Education, and Georgia Department of Education, FY 1995 to FY 2005



Sources: Illinois State Board of Education (2005); New York State Education Department of Human Resources Management (2004); Georgia Department of Education (personal communication, 2005)

tion Department Office of Human Resources Management, 2004). A significant drop in staff in Georgia occurred in FY 1997, when there was a 26.7 percent decline in one year.

These reductions in staff were tied to budget reductions and the resulting hiring freezes; agency reorganizations where divisions were eliminated, consolidated, or moved to other agencies; staff turnover and retirements; and political factors. In Illinois, financial pressures on the state emanating from the state budget crisis in the three years after NCLB was passed combined with the political maneuverings of the governor to reduce the budget. Illinois governor Rod R. Blagojevich targeted the size and effectiveness of the bureaucracy in his 2004 State of the State address, calling the Illinois State Board of Education (ISBE) “an old, Soviet style bureaucracy — it’s clunky and inefficient, it issues mandates, it spends money, it dictates policy, and it isn’t accountable to anyone for anything” (Blagojevich, 2004). He called for replacing the system with an education department that would be more directly under the control of the governor — an announcement that followed several

years of budget cuts, including a \$7.1 million cut in funds available for ISBE staff in the FY 2004 budget and corresponding to the elimination of forty-five positions (Illinois State Board of Education, 2003). These severe cuts came not from a conservative GOP governor but from Illinois's first Democratic governor in a third of a century, reflecting the widespread bipartisan antibureaucratic attitudes common in U.S. political discourse.

In Georgia, major political differences between the state superintendent, governor, and state board of education contributed to a decline in agency staff. To keep resources out of the hands of the superintendent, the board allocated funds to other agencies rather than to the department of education and offered employees an early retirement package in 1997. There were further staff reductions because many programs were underfunded, something that is not apparent from the reported staffing count since the department kept many of the positions "on the books" to avoid going through a reauthorization process in the state legislature when funds were restored. With the election of a Republican governor and state superintendent in 2002, the department began a rebuilding process, giving priority to adding staff to meet the federal monitoring requirements.

State Capacity to Intervene in Schools and Districts

NCLB incorporates not only requirements for achievement gains and assessments, but also directives about what to do when districts and schools fail — a litany of state-driven reforms that appear in the law as if they were well-documented methods of improving schools and as if the states have the resources, knowledge, and leadership to effectively implement them. These range from state takeovers, state advisors, state decisions to convert failing schools to charter schools, mandates to develop a new school-level reform plan, and, of course, implementation of supplemental educational services and transfer options for families in the many schools not making AYP for all subgroups of students. The basic idea was to provide an array of strong tools states could use to force change in failing schools and districts and to demand that state and local officials do something to produce changes.

With their powerful legal control over many aspects of schooling, the states seem a plausible place to vest such authority and responsibility. Although they have very different traditions of educational policy, since the reform movements of the 1980s — which were triggered by the Reagan administration report, *A Nation at Risk* — states have aggressively expanded their authority and requirements, particularly by adding course requirements in math and science, implementing mandatory state assessments, and reporting more test-score data by district and school. Since most states now have standards-based reforms that have some parallels with features of NCLB, it is not surprising that Congress gave them major responsibilities for breaking the cycle of low performance and accelerating educational gains at the school and district levels.

The idea of drastic action by states was not new in NCLB. As is true in NCLB, there is the assumption that reform is often blocked by recalcitrant local forces and that it can be imposed more successfully in some cases by a distant force less entangled in local pressures, antiquated institutions, and politics. In fact, twenty-nine states have the authority to take control of a district and simply override local authorities under specified circumstances, and about a third of the states also have the authority to seize control of individual schools and impose changes (Education Commission of the States, 2006). The actual record of state interventions is surprisingly long and extensive, but also disappointing.

The idea of state takeovers blossomed in the reform era of the late 1980s and became widespread in the following decade. It often began in cases of financial collapse, in court orders, in cases of massive corruption, or, as the standards-based reform movement became more intense, in cases of persistent academic disaster. New Jersey was the first site of a state takeover, but there were major efforts in a number of states, including California, Illinois, Ohio, Maryland, New York, Connecticut, and others. A study by the Education Commission of the States, a compact of state education agencies hardly hostile to or critical of the idea of a vigorous state role in education policy, concluded in a 2004 report that takeovers were “yielding more gains in central office activities than in classroom instructional practices” (Education Commission of the States, 2004, p. 2) by helping to straighten out accounts and business practices and upgrading facilities. Little progress was noted on academic gains, certainly nothing like the gains required by NCLB: “Student achievement still oftentimes falls short of expectations. . . . In most cases, academic results are usually mixed at best, with increases in student performance in some areas . . . and decreases in student performance in other areas” (p. 2).

The basic problems of state control of local schools or districts arise from the fact that only in terms of politics and management are there any probable advantages. State officials are often former district officials who have not run large, complex, and troubled schools or districts where most of the serious problems are. They often have little or no credibility in the context of those settings and are usually White, taking over schools or districts that are very largely non-White and poor and that resent the intrusion. Usually they come in under circumstances that violate local and state political traditions and with little understanding of the communities in which they are operating.

Congress might have thought about spectacular examples, such as the U.S. capital, Washington, D.C., where Congress displaced the local school authorities and appointed outsiders to implement their own reforms in the mid-1990s with little visible impact. Or the story of Hartford, Connecticut, where the state removed the local board, where an attempt to turn the district over to a private contractor failed, and where a state-appointed board with extra funds failed to make significant changes. Or the frustrating experiences

of New Jersey in taking over several of its major urban districts; of Maryland in Baltimore; of Illinois in East St. Louis and Chicago; of Ohio in Cleveland; of California in Compton, Richmond, and Oakland; of New York in the Roosevelt District on Long Island; and a number of others. There is little evidence that any state is capable of achieving the vast transformations and rapid progress for all subgroups required by NCLB (Hunter, 1997; Mathews, 2000; Strauss & Loeb, 1998; Weizel, 1997; Wyatt, 2000).

With NCLB, Congress was requiring changes no state had been able to accomplish with its own takeovers, even though they involved far fewer schools and districts that were facing sanctions under NCLB. The assumption that there were practical remedies in the reach of state agencies had no empirical grounding.

Meeting the NCLB Requirements

NCLB's lack of attention to state capacity was evident early in implementation, as many states were unable to meet a basic requirement in the law: the development of an approved plan detailing how the state intended to meet the NCLB requirements. State education officials were required to submit a consolidated state application to the DOE by June 2003, one year after NCLB was signed into law. The DOE, which reviewed these plans, established two levels of approval: fully approved and approved. Plans were fully approved if they met all of the NCLB requirements and approved if there were additional conditions that states had to meet. By the time these plans were due, in June 2003, only eleven states (21.2%) had plans that were fully approved. By July 31, 2004, the DOE fully approved plans from an additional sixteen states and Puerto Rico, bringing the number of states with fully approved plans to twenty-eight (53.8%) (Government Accountability Office, 2004). The DOE approved plans for the remaining twenty-three states and the District of Columbia (46.2%), but this group had to meet additional conditions in order to receive full approval.

As with the accountability plans, states undergo a peer review and approval process to ensure that the state's standards and assessments comply with the law. States were required to have assessments in all grades in place by the 2005–06 school year, the fourth year of implementation. By March 2006, the DOE had reviewed standards and assessment materials from fourteen states (Table 3). Only two states, Delaware and South Carolina, received full approval with recommendations. This means that although the states' standards and assessment systems met the NCLB statutory and regulatory requirements, the DOE determined that some elements of the systems needed to be strengthened. South Carolina was asked to enhance its alternative assessments for students with disabilities and Delaware to improve its academic achievement standards in science. Four states received deferred approval, which meant they complied with only some of the requirements. Eight states did not meet

TABLE 3 *Status of State Approval of Standards and Assessment System, March 2006*

<i>Final Review Pending</i>	<i>Deferred Approval</i>	<i>Full Approval with Recommendation</i>
8 states: AL, ID, IN, NE, NV, OR, SD, TX	4 states: AK, MD, NC, WV	2 states: DE, SC

Source: U.S. Department of Education (2006c)

most of the requirements. Aside from the limitations on state capacity, the low number of states that had gone through the review process more than halfway through the school year points to the DOE’s limited capacity to monitor state compliance.

State Actions to Implement NCLB and Influence Local Districts

Even though states had difficulty meeting the NCLB timelines, state officials took the requirements seriously. States responded by giving staff more responsibilities and reallocating funding and staff time to meet the new requirements placed on them. The form this took depended on prior state policies and was driven by the NCLB timelines, a desire to avoid losing funds for lack of compliance, and the law’s demands to establish a test-based accountability system. The high-stakes nature of the NCLB accountability regime put additional pressure on the state system that emanated from local districts; specifically, they wanted to make sure the school improvement designations were correct. Given the array of state responsibilities under NCLB, states focused on some of the requirements while ignoring or postponing others. Meeting NCLB timelines (and thus avoiding the loss of funds for being out of compliance), establishing a test-based accountability system, and developing data collection and reporting systems drove much of the state response to NCLB, although states varied greatly in where they set their priorities. We found that state actions to implement NCLB and influence local districts included issuing guidelines and providing training programs or holding conferences on the NCLB requirements, negotiating contracts and/or hiring consultants, and issuing reports. Developing a system of support to assist poorly performing districts and schools received much less attention.

– *Assessment Systems*

NCLB allocations for state assessments helped offset some of the costs covered by the state, at least in the initial years, but state officials were concerned because there is no mechanism in NCLB for maintaining the testing system over time. Because Title VI of NCLB does not have a supplant clause, states were able to replace state funds for assessments with federal funds. For example, Illinois reduced the amount of state funds devoted to state assessments



TABLE 4 *Federal and State Allocations for State Assessments, Illinois, FY 2002–FY 2005*

<i>Source</i>	<i>State FY02</i>	<i>State FY03</i>	<i>State FY04</i>	<i>State FY05</i>
Federal NCLB	0	2,074,717	6,066,235	10,281,873
Federal IDEA	0	1,800,000	1,954,996	2,101,209
Federal Title II	1,632,549	0	0	0
State	18,354,376	18,327,845	14,728,089	8,399,978
TOTAL	19,986,925	22,202,562	22,749,320	20,783,060

Source: Illinois State Board of Education (personal communication, January 25, 2005)

from \$18.3 million in FY 2002 to \$8.4 million in FY 2005 (Table 4). However, to achieve these cost savings, the Illinois General Assembly amended the state's testing legislation to eliminate all testing not required by NCLB. This included dropping tests in writing and social studies.

States that did not have a testing system that met the NCLB requirements contributed substantial resources to augment the federal funds. This was the case in Arizona, where the board of education voted in March 2004 to issue a contract to develop and administer a new test, the AIMS-Dual Purpose Assessment, which would replace its previous testing system (Arizona State Board of Education, 2004). The costs of developing this system were huge and required the state to contribute over half of the funding needed for test development and administration (Table 5). In FY 2005, the state faced a shortfall between the estimated cost of achievement testing and the amount of funds appropriated for testing by the state legislature. Arizona officials were concerned with meeting the costs of achievement testing when the federal funding ends, since the state has a growing school-age population that will require additional tests in future years.

– Data Reporting

Meeting the NCLB data collection and reporting mandates required states to develop new student information systems that allowed state officials to track students over time, and to collect the student demographic data essential for disaggregating test scores by subgroups. Among the six states, only California had an existing system that included student-level information. Still, California added several data fields to their system in order to collect the data needed for NCLB.

State officials cited data integrity as a major challenge in meeting the NCLB reporting requirement. Many districts simply lacked the infrastructure necessary to collect the required data or their systems were not compatible with the state systems. In addition to developing the state systems, fully implementing a student information system often required providing resources to

TABLE 5 *Estimated Cost of Achievement Testing and Appropriations by Source of Funds, Arizona, FY 2005 and FY 2006*

<i>Item</i>	<i>FY05</i>	<i>FY06</i>
Total Estimated Cost of Achievement Testing	\$17,037,400	\$11,536,300
Funding Sources		
General Fund	7,567,600	4,829,600
Proposition 301 Fund	2,340,300	2,340,300
TOTAL STATE APPROPRIATION	9,907,400	7,169,900
Federal NCLB Testing Monies	5,807,900	4,366,400
Funding shortage	(1,321,600)	n/a

Sources: for FY 2005, Arizona State Legislature, Joint Legislative Budget Committee (2004); for FY 2006, Arizona State Legislature, Joint Legislative Budget Committee (2005)

districts that did not have the local resources, technology, or staff to develop and implement such systems. For example, Illinois officials estimated that about 25 percent of the state’s districts did not have electronic means to track enrollment, attendance, or demographic information. Georgia spent an estimated \$26 million (out of \$50 million appropriated by the state legislature) to develop the district-level infrastructure necessary to establish a student information system.

Although the law focused on outcomes, staff devoted their time and resources to collecting, correcting, and analyzing data for NCLB reporting purposes, leaving little time or resources to analyze data for program effectiveness or to facilitate education reform. For example, to meet the data reporting requirements of NCLB, the policy and evaluation division of the California Department of Education reallocated staff time to complete NCLB tasks and gave up doing research studies using the data they collected, responding to outside studies using California data, or providing analyses to the superintendent, legislature, and news media. Because of the increased amount of data required under NCLB, ensuring the integrity of the data and responding to school and district challenges to improvement status consume staff time:

We end up crunching 4½ or 5 million student records and creating massive reports, and with 20 percent of the schools, the data is wrong. So they go back, correct it . . . and then send it back and we re-crunch it again, and on and on and on. . . . And it’s gotten even worse with the high stakes of NCLB. Districts and schools are going back more and more to make sure all the data are correct. . . . This whole concept of getting good data into the department is loosely coupled and that’s that biggest point of breakdown, which keeps us busy constantly. (California Department of Education, personal communication, February 16, 2005)

Since states collected data to comply with NCLB, not with the separate and preexisting state reforms, it provided statistical information that was often not very useful to state officials or district educators. In Illinois, districts questioned the usefulness of the data since they did not tell them which programs worked or how they would help their schools. For example, the state collects data on the number of students taking advantage of the transfer option, but does not provide information on “what it means in the long run in terms of policy. The data tells us which [supplemental services] vendors are chosen more frequently than others, but it doesn’t really speak to the issue of which programs are more effective than others” (Illinois State Board of Education, personal communication, January 26, 2005).

Federal grants to support the development of longitudinal data systems have done little to address the capacity differences between states. To qualify, states demonstrated that considerable capacity already existed, including the capacity to support research on student academic growth, to exchange data across institutions within the state, and to provide reports and analysis to stakeholders, and also proved that they had the staff and technical and monetary resources to sustain the system over time (U.S. Department of Education, 2005). Moreover, the number of grants awarded was limited to fourteen states (Kennedy, 2006).

– System of Support

State efforts to provide support for school improvement or to intervene directly in schools and districts prior to NCLB were limited and not very effective (Mintrop & Trujillo, 2005). Most efforts, apart from federal school improvement monies for comprehensive school reform models, stemmed from state accountability requirements. These programs were typically characterized by schools’ voluntary participation and served a limited number of schools. While some included on-site personnel or intervention teams, they were more likely to rely on a school-based improvement planning process and school improvement plans, comprehensive school reform models, or external audits of school performance. For example, a California program that was designed as part of the state accountability system to help a limited number of schools that failed to demonstrate significant growth allowed for voluntary participation. In Georgia, districts could request a school effectiveness review for a school, but any recommendations coming from this review were left up to the school or district to implement. In Illinois, state officials assigned an educator-in-residence to a poorly performing school but did not define the intervener’s responsibilities. The state later abandoned this program. Arizona did not provide school intervention services prior to NCLB.

The success of state efforts, where they did exist on any scale, was limited at best. The California system provided grants to the lowest-performing schools in the state, relied on a school improvement planning process to develop a

TABLE 6 *Amount of Title I Budget Allocated for School Improvement Activities, FY 2005*

<i>State</i>	<i>4% for School Improvement</i>	<i>95% of 4% for Districts</i>	<i>5% of the 4% for State</i>
Arizona	\$ 9,957,899	\$ 9,460,004	\$ 497,895
California	71,061,718	67,508,632	3,553,086
Georgia	16,263,283	15,450,119	813,164
Illinois	21,532,907	20,456,261	1,076,645
New York	49,067,048	46,613,696	2,453,352
Virginia	8,660,702	8,227,667	433,035

Source: U.S. Department of Education (2006b)

Note: Calculations are based on the ESEA Title I Grants to Local Education Agencies for FY 2005

school improvement plan that would lead to improved student achievement, and required the school to work with an “external evaluator” or consultant in developing the plan. An evaluation of the program commissioned by California Department of Education found that the program’s contribution to mean achievement across participating schools was negligible (O’Day & Bitter, 2003).

Table 6 shows the amount of school improvement funds available to six states for FY 2005. NCLB requires states to set aside 4 percent of their Title I, Part A funds for school improvement activities. States may retain 5 percent of these funds for state school improvement activities, with the remaining 95 percent going to school districts. Since the federal legislation sets a ceiling on the amount of funds that can be used for administration, states can convert some of these funds into local assistance in the form of higher grants to districts. This is what the California legislature did, and instead of the \$3.5 million that California could set aside under the Title I guidelines, the state set aside \$1.78 million and sent the remainder to local districts. Prior to FY 2005, the set-aside for school improvement was often less than 4 percent. The nation’s largest state was expected to trigger the transformation of many hundreds of troubled schools to produce unprecedented levels of achievement for less than the budget of one large high school.

To put the set-aside for state administration of school improvement in perspective, we compared the allocation to the number of schools and districts identified for improvement (Table 7). If each school that was identified for improvement were to receive an equal portion of the school improvement grants — an unlikely event since the grants go the district, which will likely use some for their own administrative costs — the allocation per school would have ranged from \$626,490 in Arizona to \$26,713 in Virginia. Divid-

ing the amount that the state can retain by the number of districts in need of improvement gave states amounts ranging from \$4,431 per district in Illinois to \$67,764 per district in Georgia. Except in Arizona, these are not large amounts when you consider that they barely, if at all, cover the costs of adding just one staff person for every school or district needing improvement. Forty years of experience under Title I suggest that interventions on this scale will have very limited results.

The low level of federal investment in state school improvement limited what states could do to compliance and monitoring activities and forced states to prioritize which schools or districts would receive support. Because of limited federal and state resources, states put the burden for school improvement on districts, relied on regional centers to provide assistance to schools and districts, and made schools central to their own improvement through the school improvement planning process.

Most often, state officials filled a management function. A California official commented, "I don't think the state can do it alone. . . . I think we can help them identify areas that are of need and make them better consumers of the product that is likely to be the next step . . . and then maybe be a broker using our county office partners and other partners" (California Department of Education, personal communication, February 16, 2005). Since the Illinois State Department of Education did not have the staff to work directly with schools or districts, the state gave primary responsibility to work with schools and districts to Regional Educational Service Providers, which were already under contract with the state. Developing school and district improvement plans was a central component of the improvement process, and staff time at the state level was devoted to reading these plans. Georgia developed a regional support team to bring the Regional Education Service Agencies and other entities together to coordinate and collaborate on school improvement efforts. The state played a management role in coordinating the services a school might receive from different entities in order to avoid duplication or conflict between different types of services. State officials recognized that as districts moved into the corrective action phase of the NCLB sanctions, they might have to become more involved, but since they were not there yet, they had not addressed that issue. The dramatic sanctions in the act were not yet being used, and a law that was highly regulatory was, so far, being administered largely as data collection and technical assistance functions much more compatible with normal state-local relations.

Discussion and Conclusion

With a modest and temporary infusion of additional federal funds, the most conservative government in generations suddenly adopted policies that required levels and kinds of educational gains for every group of students within every school that had never been achieved anywhere. The requirements

TABLE 7 Allocations for School Improvement Grants to Schools and Districts Per Number of Schools or Districts Identified for Improvement, 2004–2005

<i>State</i>	<i>Allocation for School Improvement Grants FY05</i>	<i>Schools Identified for Improvement 2004–05</i>	<i>Allocation per School</i>	<i>State Allocation for School Improvement</i>	<i>Districts Identified for Improvement 2004–05</i>	<i>Allocation per District</i>
Arizona	\$ 9,460,004	151	626,490	\$ 497,895	78	6,383
California	67,508,632	1,600	42,193	3,553,086	150	23,687
Georgia	15,450,119	354	43,644	813,164	12	67,764
Illinois	20,456,261	661	30,947	1,076,645	243	4,431
New York	46,613,696	501	93,041	2,453,352	58	42,299
Virginia	8,227,667	308	26,713	433,035	79	5,481

were set down as nonnegotiable, and major progress was required under deadlines that did not fit what research has shown to be the preconditions and time required for successful reform. The fact that the law attached very strong sanctions and embarrassing publicity about educational failure for not reaching goals, which many schools and districts soon learned they could not meet, rapidly deepened the conflict over the law.

Most educational professionals were good soldiers, trying to implement the policies, treating them as possible goals — at least in the early stages — and thinking positively about complying with as many provisions as possible. Though they were being asked to play a role that was new and difficult, perhaps objectively impossible, most state officials collected data and released findings of widespread “failure” as defined by NCLB. Some saw the law as a lever to increase their own reach and power in pursuing goals that were congruent with those of NCLB.

This study shows striking good faith at the administrative level but also a striking lack of resources and knowledge to accomplish the extraordinary goals. At least, states have completed the data collection, testing, and verification of teacher qualifications and focused a great deal of attention on sensitive achievement data that previously was not available.

The study also shows that the focus was on the data and procedural parts of the law because they were tasks administrators could actually complete — spheres of action that they could actually control. For the most ambitious goals of large-scale, drastic educational interventions that produced fast and consistent gains, the law provided few resources, often absurdly small amounts of money and staffing, and the previous experience of the states in dealing with much smaller numbers of schools and districts was usually deep-

ly disappointing. It is not surprising that the administrators postponed facing these problems in favor of those they could actually solve. Nor is it surprising that initiative increasingly passed from professionals to politicians as the implications for the image of local schools, teachers, and communities were at risk, and educators faced sanctions that often seemed disproportionate and counterproductive.

This story is far from over and may well end on the floor of Congress or in a new White House, but the important lessons of the first five years are now apparent. It is clear that the idea of a relatively closed system of favorable congressional committees and powerful interest groups of local educational agencies and teacher organizations had been displaced by policymakers who were outside this traditional system and believed they could impose radical change rapidly from Washington. They surely won the battle and changed the agenda. By pressing too hard and neglecting to enact specific policies or goals that were feasible, however, they seemed on the path to losing the war, as signaled by the sudden surge of policy modifications and compromises in the second administration of President George W. Bush. If states cannot implement the policies, a basic policy lesson would be that the design must recognize both the realities of policy possibilities as known by professionals and the necessities in a federal system of leading by persuasion and incentives rather than by threat and negative sanctions.

For states to develop the capacity to implement anything like the NCLB requirements will take more than a massive infusion of resources. It will also require a restructuring of how the state education agencies function and the development of new expertise in areas where state agencies have not operated before, such as the provision of school improvement support, and which have typically been left to other levels of the education system. But it is far from clear that such a restructuring is appropriate or feasible. In fact, we found that many state officials did not see school intervention as an appropriate role. Since state agencies traditionally rely on regulatory mechanisms to control education, they lack the expertise to effectively intervene in schools and districts and the organizational networks that would facilitate a cooperative relationship between state and local authorities. Rather than require states to take on new responsibilities, it may be better to build on their current roles and develop the infrastructure to improve current functions. Indeed, that is the approach states took when they continued to use conventional approaches to implementing Title I instead of using the new powers they have under the law. The revolution begun by NCLB may be remembered as an experiment that resulted in massive data collection and better information systems but very little educational gain and high political costs, leading ultimately to serious reexamination of a more effective division of authority and more reliance on research showing what is actually needed to substantially improve education in impoverished schools.

Notes

1. The number of states includes the District of Columbia and Puerto Rico.
2. The other mechanism, a set-aside where states can reserve 1 percent of the Title I funds for administration, is insufficient and reduces the funding that is available for other Title I activities (Center on Education Policy, 2006).
3. The law provides for an extension of one year if there is an exceptional or uncontrollable event, such as a natural disaster or unforeseen decline in the financial resources of the state (NCLB, 2002, Sec. 1111,(b)(3)(C)(viii)).
4. States may reserve 1 percent of the amount they receive from Parts A, C, and D of Title I for administration. There is a ceiling on the amount that can be reserved (NCLB, 2002, Sec. 1004).

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