
Introduction

In January 2002, President Bush signed into law the No Child Left Behind (NCLB) Act, which is the most recent reauthorization of the 1965 Elementary and Secondary Education Act. The act establishes ambitious education goals and prescribes mechanisms for holding schools, school districts, and states accountable for their performance. Under NCLB, all students are expected to be proficient in reading and math by the 2013-14 school year. For state fiscal year 2005, the federal government expects to grant Minnesota \$216 million to implement the provisions of the act and provide services to students.

The law is in its early stages of implementation. Still, there was considerable discussion during the 2003 legislative session about the law's potential cost implications, and the Legislative Audit Commission asked our office to assess the law's likely impact. Our evaluation addressed the following questions:

What costs will NCLB impose on the state and school districts, and what factors are likely to affect the magnitude of those costs?

What is the likelihood that Minnesota school districts and schools will achieve “adequate yearly progress” toward the goal of 100 percent proficiency?

Will the increase in federal revenues that Minnesota receives under NCLB cover the new costs imposed by the act?

What would be the fiscal implications if Minnesota “opted out” of NCLB?

To what extent do Minnesota education officials support the goals and approaches of NCLB?

We used several research methods to address these questions. To help us evaluate NCLB costs, we interviewed staff from the Minnesota Department of Education and nine school districts.¹ We also asked the department and these districts to estimate their past and future expenditures in more than 20 NCLB-related categories, covering seven broad areas: (1) administering NCLB's general provisions, (2) establishing academic content standards and aligning curricula, (3) assessing student proficiency, (4) monitoring and reporting school district and school performance, (5) sanctioning low-performing schools, (6) improving teacher and paraprofessional qualifications, and (7) increasing parental

¹ The school districts were Minneapolis, St. Paul, Osseo, Bloomington, Rochester, Shakopee, Willmar, Detroit Lakes, and Mahanomen. During site visits, we usually talked with district superintendents and staff familiar with curriculum, assessments, personnel issues, and Title I services.

involvement.² We considered these estimates informative but not definitive, as discussed in Chapter 4. Our assessment of fiscal impacts focused on the costs associated with requirements in Title I, Part A of the NCLB Act, mainly because people we interviewed did not express concerns about the costs of other portions of the act.

We reviewed the requirements and funding provisions of the NCLB Act, and we examined the requirements of federal and state laws that existed prior to its enactment. We also interviewed representatives of Minnesota education advocacy groups, as well as education officials in selected other states.

In November and December 2003, we conducted a statewide survey of Minnesota school district superintendents and charter school directors. The primary purpose of the survey was to document general perceptions regarding NCLB's goals, implementation, and impacts. We received responses from 95 percent of the superintendents and 86 percent of the charter school directors.

By analyzing current and projected school performance, we assessed the likelihood that Minnesota schools and school districts will make "adequate yearly progress" (as defined by NCLB) toward the goal of 100 percent proficiency. Specifically, we obtained and analyzed school-specific data on the academic performance of all Minnesota public schools for the 2002-03 school year. In addition, we contracted with the Office of Educational Accountability at the University of Minnesota to simulate the number of schools that might be expected to make "adequate yearly progress" in future years, using various assumptions that we identified.³

To assess the consequences of opting out of NCLB, we talked with officials from the U.S. and Minnesota departments of education. We also interviewed staff with the National Conference of State Legislatures regarding other states' investigations into this issue.

Chapter 1 provides a brief overview of the NCLB Act and the related revenues that Minnesota receives. Chapter 2 discusses how NCLB's provisions affected the direction of Minnesota's emerging educational accountability system and how these provisions have been perceived by state and local education officials. Chapter 3 looks at Minnesota's implementation of the NCLB-mandated concept of "adequate yearly progress," a key component of the act's accountability provisions. Chapter 4 examines the fiscal impacts of the NCLB Act and the implications if the state "opted out" of NCLB.

² For all cost categories, we requested estimates for fiscal years 2002 through 2005; for some categories, we also requested estimates for fiscal years 2006 through 2008.

³ The Office of Educational Accountability was created by the 1997 Legislature as an independent agency to advise legislative committees and the education commissioner on education accountability issues.