

**GAO**

Report to the Chairman, Subcommittee  
on Oversight of Government  
Management, Restructuring and the  
District of Columbia, Committee on  
Governmental Affairs, U.S. Senate

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September 2000

# TITLE I PRESCHOOL EDUCATION

## More Children Served, but Gauging Effect on School Readiness Difficult



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<b>Letter</b>		3
<b>Appendix</b>	Appendix I: GAO Contacts and Staff Acknowledgments	18
<b>Table</b>	Table 1: Major Federal Programs Supporting Preschool Education	8
<b>Figures</b>	Figure 1: Growth in the Number of Preschool Children Served With Title I Funds	6
	Figure 2: Estimated Percentage of Title I Funds Used by School Districts to Support Preschool Education Services	9
	Figure 3: Estimated Percentage of School Districts That Received Title I Funds and Used Them to Serve Preschool Children	10
	Figure 4: Estimated Percentage of Title I-Funded Preschool Children Served by the Largest and Smaller School Districts	11
	Figure 5: Comparison of the Race/Ethnicity of Children Served by the Largest and Smaller School Districts	12
	Figure 6: Comparison of the Types of Services Provided by the Largest and Smaller School Districts	13

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**Abbreviations**

ESEA      Elementary and Secondary Education Act  
HHS        Department of Health and Human Services

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United States General Accounting Office  
Washington, D.C. 20548

Health, Education, and  
Human Services Division

B-284749

September 20, 2000

The Honorable George V. Voinovich  
Chairman, Subcommittee on Oversight of  
Government Management, Restructuring  
and the District of Columbia  
Committee on Governmental Affairs  
United States Senate

Dear Mr. Chairman:

Each year, about 4 million children enter our nation's kindergartens, and according to teachers, some lack the skills necessary to succeed in school. Children from low-income families are most at risk of failing academically because they are more likely to be exposed to drug abuse, violence, and unhealthy living conditions. To help schools meet the needs of children who are educationally and economically disadvantaged, funding through title I of the Elementary and Secondary Education Act (ESEA) serves students from birth to age 21.<sup>1</sup> In fiscal year 1999, title I provided about \$7.9 billion to serve about 12 million children. Historically, most children served by title I have been in kindergarten through grade 12, but a growing number of preschoolers are also being served.

Concerns over children's school readiness have placed an increasing emphasis on ensuring that children have the necessary skills to succeed in school. In light of this and the current discussions regarding reauthorization of title I, you asked us to determine (1) the extent to which title I funds are used to support education and/or developmentally appropriate activities for preschool children, aged birth to 5 years, and (2) what is known about the effectiveness of title I-funded programs for preschool children in preparing them for school.

To respond, we surveyed a stratified, nationally representative sample drawn from the approximately 16,000 school districts nationwide. We sent our survey questionnaire to school districts, which provided information on the schools within the districts as well; thus, our estimates are based on school and school district information. Specifically, we surveyed all of the

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<sup>1</sup>Throughout this report, title I refers only to title I, part A, of ESEA.

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111 largest school districts—those with 40,000 or more students. These school districts served about a quarter of all public school-aged children nationwide. In addition, we randomly selected about 400 of the smaller school districts—those with fewer than 40,000 students. Our overall response rate was 95 percent, with 100-percent and 94-percent response rates from the largest and smaller school districts, respectively. We interviewed Department of Education officials and reviewed Education's most recent data on the number of preschool children served with title I funds, by state. We also reviewed Education's Strategic and Performance Plans to obtain information on the agency's efforts to evaluate title I's effectiveness in preparing children for school. We conducted our work between February 2000 and July 2000 in accordance with generally accepted government auditing standards.

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## Results in Brief

During the 1999-2000 school year, an estimated 17 percent of the school districts that received title I funds spent an estimated \$407 million on preschool services, making title I second only to Head Start in its level of federal preschool education funding. The remaining 83 percent that did not use their funds to support preschool education services cited, among other things, a greater need to use title I funds for older children. School districts used their funds to serve an estimated 313,000 preschool children—equal to about 8 percent of the children who will eventually enter kindergarten. Almost all of these children were between the ages of 3 and 5, and they received a variety of services funded with title I as well as other federal, state, and local funding. Children were served in every state, with Texas serving the largest number of children.

Currently, Education lacks the information to measure title I's effect on children's school readiness, but it may be able to structure its design of a planned title I preschool study to collect such information. Recognizing that isolating title I's effect from the effect of other funding that supports preschool children may be difficult, we are recommending that Education, as part of its planned title I preschool study, explore the feasibility of isolating and measuring title I's effect on school readiness. In commenting on our report, Education agreed with our recommendation.

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## Background

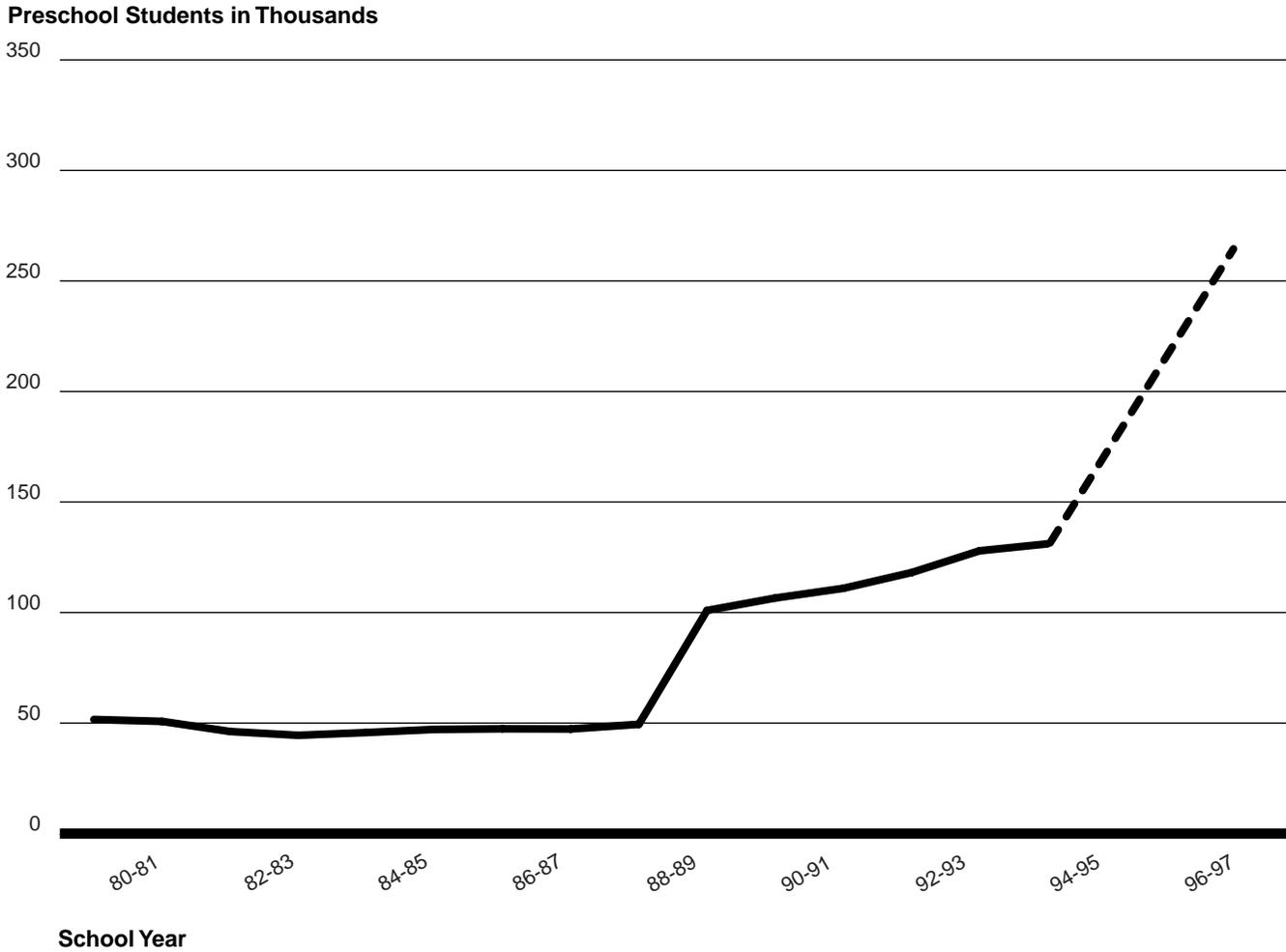
Growing out of the War on Poverty in 1965, title I is the single largest federal investment for elementary and secondary education. Administered by Education, its primary purpose is to help local education agencies and

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schools improve the teaching and learning of children who are failing, or are most at risk of failing, to meet challenging academic standards. In support of that goal, title I targeted \$7.9 billion, primarily to high-poverty schools, in fiscal year 1999 and distributed these funds to local school districts through state education agencies. The amount each school district receives is determined by a complex formula that incorporates, among other factors, the average per-pupil expenditure in the state, the number of children in poverty, and previous allocations to the state and to the district. According to Education, about 90 percent of all school districts receive title I funds. School districts or local schools may choose to use some portion of these funds to serve preschool children.

According to Education's data, the number of preschool children served with title I funds is growing (see fig. 1). Title I funding reached about 300,000 in school year 1997-98, the most recent year for which Education had data. The period of rapid growth began around school year 1994-95. This accelerated growth began about the time of the 1994 reauthorization of title I, which expanded the focus of title I by increasing the number of schools eligible to use their title I funds to improve the school as a whole, rather than targeting specific eligible children. This change in eligibility consequently increased the number of children of all ages that could be served with title I funds. Prior to 1994, only schools with 75 percent or more of their students living in poverty could use their funds to improve the whole school. The 1994 reauthorization lowered the poverty eligibility threshold to 50 percent.

**Figure 1: Growth in the Number of Preschool Children Served With Title I Funds**



Note: Education did not collect these data for school years 1994-95 and 1995-96. School year 1998-99 data are not yet available from Education.

Source: Department of Education state performance reports for school years 1980-81 through 1996-97.

In addition to title I, the federal government provides funding specifically targeted for low-income preschool children through Education’s \$135 million Even Start program and the Department of Health and Human Service’s (HHS) \$4.7 billion Head Start program, the largest preschool education program. Although they are separate programs, ESEA requires that recipients that serve preschool children with title I funds comply with

Head Start's performance standards, which prescribe, for example, student/teacher ratios, classroom size, and staff qualifications. In addition, children who have participated in a Head Start or an Even Start program at any time in the two preceding years are automatically eligible for title I-funded services. Title I funds can also be used to augment services provided by Head Start, Even Start, and other early childhood development programs. To illustrate, in cases where children are dually eligible for both Head Start and title I, title I may be used to fund

- education services, with Head Start funding the support services, such as food or medical services; and/or
- additional services for Head Start children, including extending the number of days or hours children receive services.

This report is one in a recent series of GAO reports on early childhood programs. Two reports examined what is known about the effectiveness of selected early childhood programs in contributing to school readiness.<sup>2</sup> A third report discussed federal, state, and local early childhood programs available to low-income families and the difficulties parents face in acquiring such care.<sup>3</sup> Our most recent report provided information on federal programs that provide education and care to children under the age of 5.<sup>4</sup>

## Title I Is a Source of Preschool Education Funding for Some School Districts

In school year 1999-2000, we estimate that school districts spent \$407 million in title I funds to support preschool education services, making title I second only to Head Start in terms of federal preschool education funding in fiscal year 1999.<sup>5</sup> These funds, in combination with other federal, state, and local funding, supported a variety of services for an estimated 313,000 preschool children—equal to about 8 percent of the children who will

<sup>2</sup>*Early Childhood Programs: Characteristics Affect the Availability of School Readiness Information* (GAO/HEHS-00-38, Feb. 28, 2000) and *Evaluations of Even Start Family Literacy Program Effectiveness* (GAO/HEHS-00-58R, Mar. 8, 2000).

<sup>3</sup>*Education and Care: Early Childhood Programs and Services for Low-Income Families* (GAO/HEHS-00-11, Nov. 15, 1999).

<sup>4</sup>*Early Education and Care: Overlap Indicates Need to Assess Crosscutting Programs* (GAO/HEHS-00-78, Apr. 28, 2000).

<sup>5</sup>At the 95-percent confidence level, the total is \$407 million plus or minus \$182 million. The estimate includes the amount schools within the school districts spent as well.

eventually enter kindergarten each year.<sup>6</sup> These services include educational and medical services and social services. However, because services were funded with both title I and non-title I funds, it is difficult to determine the extent to which title I supported specific services.

As shown below, title I represents the second largest source of federal preschool education funding (table 1). Title I's contribution to preschool education was smaller than Head Start's, but significantly larger than Even Start's in terms of the number of children served and funding level.

**Table 1: Major Federal Programs Supporting Preschool Education**

Preschool program/funding source	Preschool funding	Number of children served
Head Start <sup>a</sup>	\$4.7 billion	826,016
Title I <sup>b</sup>	\$407 million	313,000
Even Start <sup>c</sup>	\$135 million	28,000

<sup>a</sup>Head Start program information is based on HHS fiscal year 1999 data.

<sup>b</sup>Title I information is based on school year 1999-2000 estimates from our survey.

<sup>c</sup>The preschool funding figure for the Even Start program is based on Education's fiscal year 1999 data. This figure includes funds for early childhood education as well as adult literacy and basic education and parenting education. The figure for the number of children is Education's fiscal year 1999 estimate of the number of children served below the age of 5, although children through age 7 are also served with the funding.

An estimated 17 percent of all school districts that received title I funds used a portion of these funds to serve preschool children in school year 1999-2000.<sup>7</sup> Most of these school districts used less than 10 percent of their total title I funds for preschool children (see fig. 2). The remaining 83 percent of the school districts that received title I funds chose not to use title I funds for preschools, with most citing a greater need to use title I funds for older children or the availability of other sources of funding for preschool-aged children as their primary reason. The largest school

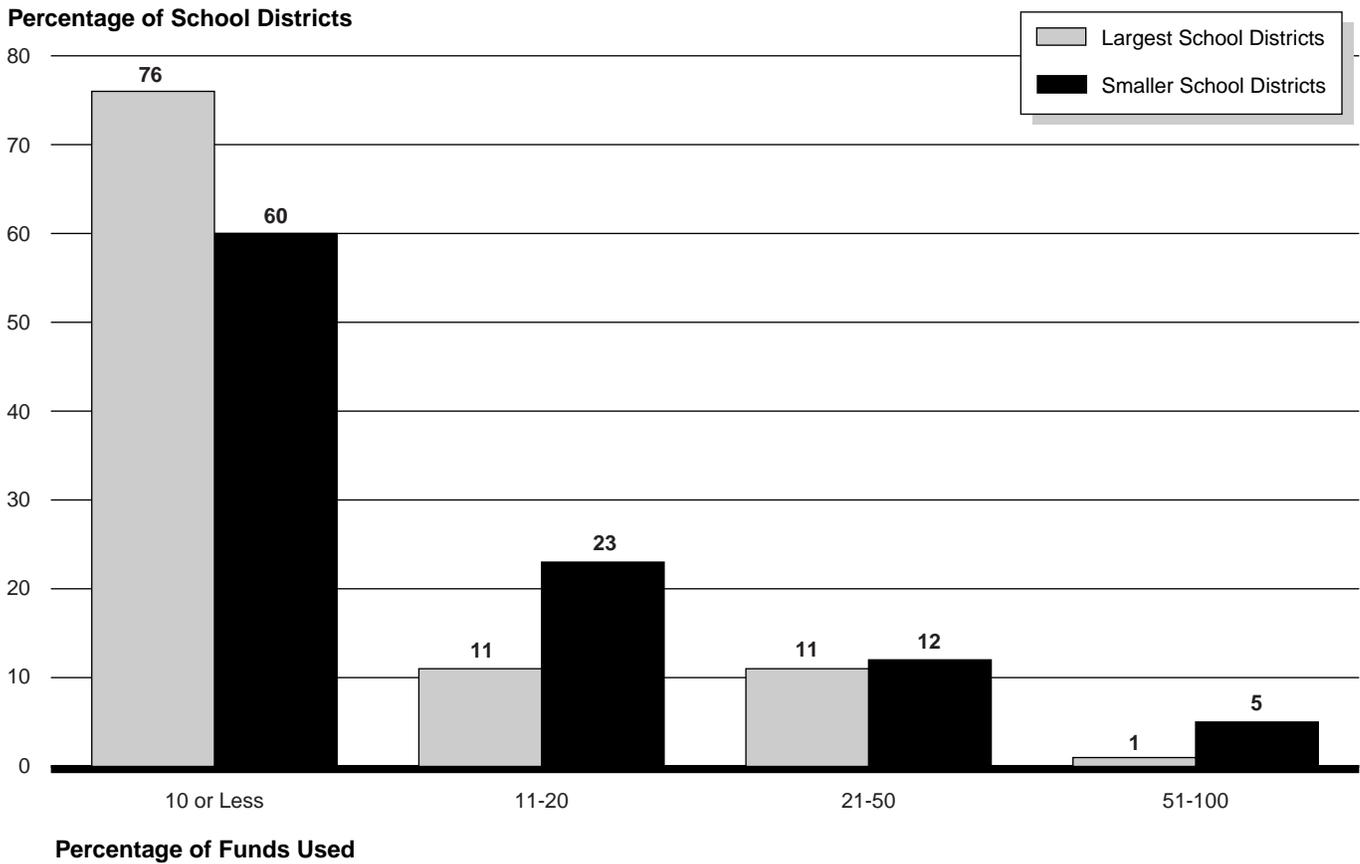
<sup>6</sup>At the 95-percent confidence level, the total is 313,000 plus or minus 86,000 children.

<sup>7</sup>Because this and other percentage estimates resulting from our survey are based on samples, each estimate is subject to sampling error. The sampling error for this estimate is 4 percentage points. This means that at the 95-percent confidence level, the percentage is between 13 percent and 21 percent. All other percentage estimates resulting from our survey have sampling errors of 13 percentage points or less.

districts were four times as likely as smaller school districts to serve preschool children with title I funds (see fig. 3).

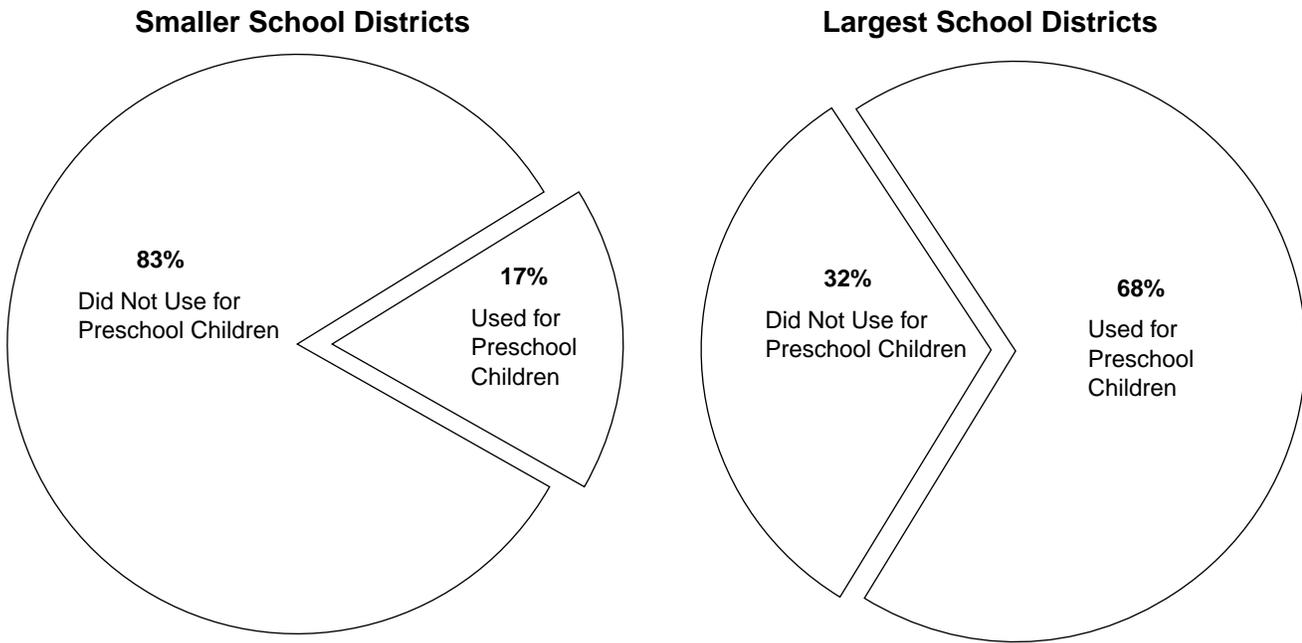
An estimated 313,000 preschool children were served with title I funds in school year 1999-2000, and that number is expected to increase, according to our survey responses. About one-third of the children served were in the largest school districts (see fig. 4).

**Figure 2: Estimated Percentage of Title I Funds Used by School Districts to Support Preschool Education Services**



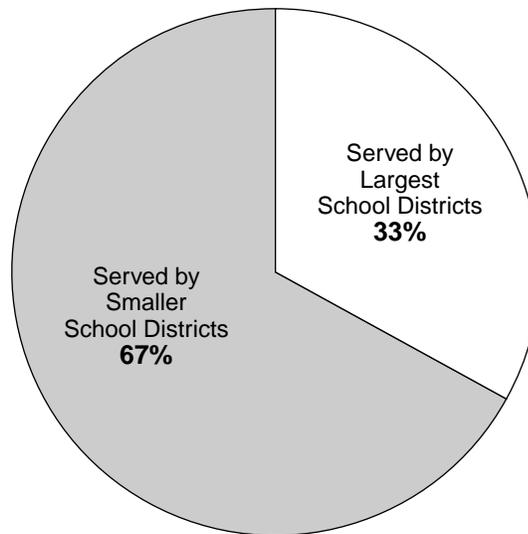
Source: GAO survey.

Figure 3: Estimated Percentage of School Districts That Received Title I Funds and Used Them to Serve Preschool Children



Source: GAO survey.

**Figure 4: Estimated Percentage of Title I-Funded Preschool Children Served by the Largest and Smaller School Districts**



Source: GAO survey.

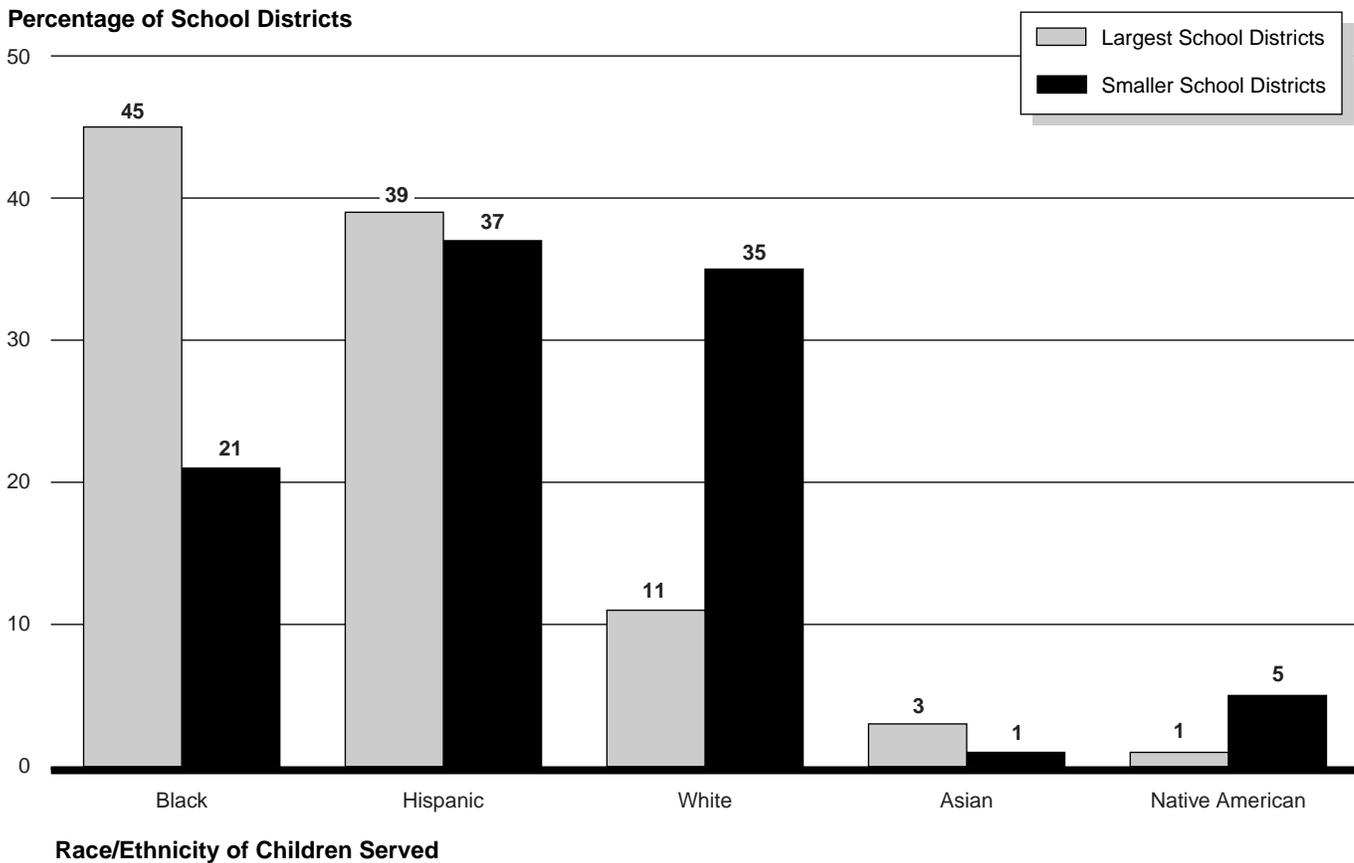
Children were served in every state, according to Education.<sup>8</sup> Five states—Texas, New York, Florida, Illinois, and Louisiana—accounted for 53 percent of all the children served, with about a third of them located in Texas.<sup>9</sup> Almost all preschool children served were between the ages of 3 and 5, with less than 1 percent of them below the age of 3. Of the school districts that served preschool children with title I funds, over 90 percent established a minimum eligibility age of 3 or 4. District officials reported adopting minimum age requirements for a variety of reasons, including the more immediate need to serve children entering kindergarten, the lack of adequate facilities for younger children, and the availability of other types of programs for younger children.

<sup>8</sup>The most recent data available are for school year 1997-98 from *Department of Education 1997-98 State Performance Report*.

<sup>9</sup>The large concentration of children served in Texas may be because title I schools in Texas frequently use title I funds to improve the whole school rather than targeting specific eligible children.

Preschool children of varying racial and ethnic backgrounds were served, with some differences between the largest and the smaller school districts (see fig. 5).

**Figure 5: Comparison of the Race/Ethnicity of Children Served by the Largest and Smaller School Districts**



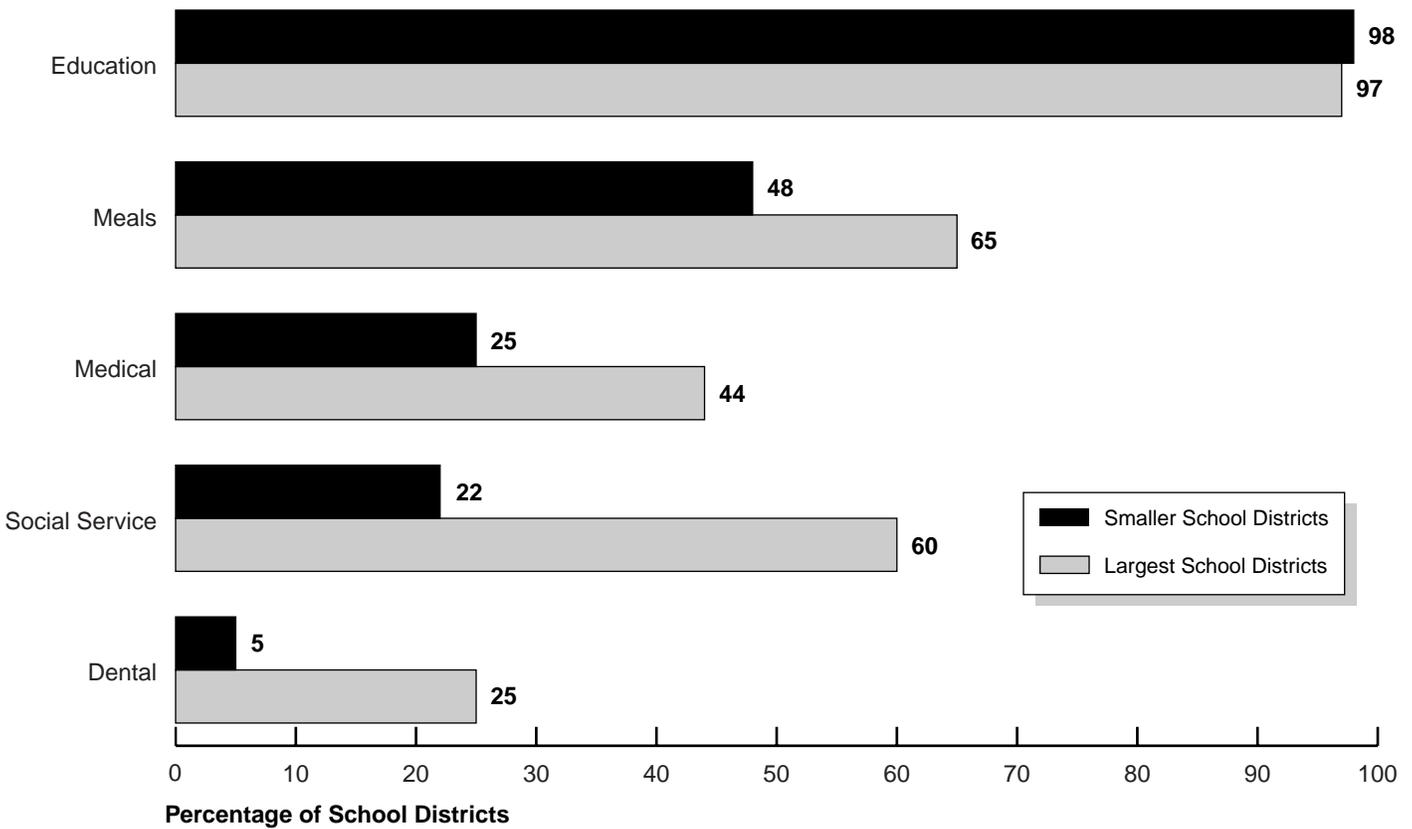
Note: Percentages are estimates based on those school districts that provided information on ethnicity. In addition, the sampling errors for the smaller school districts are very large. Therefore, the percentages provide only rough approximations of the actual percentages.

Source: GAO survey.

Children served with title I funds received a variety of services, as shown in figure 6, but differences existed in the extent to which the largest and smaller school districts provided these services. Education was the most frequently provided service by both the largest and smaller school districts;

however, the largest school districts were more likely to provide dental and social services.

Figure 6: Comparison of the Types of Services Provided by the Largest and Smaller School Districts



Source: GAO survey.

It is difficult to determine the importance of title I funds in providing a specific service. Our survey results showed that title I funds often constituted a small portion of school districts' total preschool budget and that school districts combined title I funds with other funds. For example, one school district reported that it supported services with eight different sources of funding, with the largest share of funds coming from the state.

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## Education Lacks Information on Title I's Effect on School Readiness

Currently, Education lacks the information it needs to measure title I's effect on children's school readiness, but it is in the early stages of designing a study to collect information on title I-funded programs for preschool children. Because the design is in the formative stage, Education may be able to structure it to collect information on title I's effect on school readiness by comparing children who receive title I-funded services with those who do not. Isolating and measuring title I's effect from that of other funding effects may be difficult; thus, it may be necessary to explore the feasibility of such an evaluation first.

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## Design of Education's Planned Preschool Study Under Way

Education currently does not have information that could be used to determine title I's effect on school readiness, that is, evaluations that compare children who receive title I-funded services with those who do not. Education has conducted studies of title I services for school-aged children, which is where most of its \$7.9 billion funding has historically been allocated; however, it has not conducted recent studies of title I services for preschool children. Recently, the Office of Management and Budget approved funding for the design of a study that will collect information on preschool children's progress in language development, reading readiness, and mathematical concepts. As work on designing the study has not yet commenced, Education officials reported that they are exploring various possibilities for the final study design. Other major programs, such as Head Start and Even Start, are in the process of conducting or are planning evaluations that compare children who receive their services with those who do not.

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## Funding Characteristics May Make Determining Title I's Effect Challenging

Because a preschool program may use title I as part of multiple funding sources, it may be difficult to determine what part of a program's effect on school readiness can be attributed to title I. For example, in some preschool programs, title I may provide funds for educational services that are part of a Head Start program, and Head Start may, in turn, use other funds to provide nutritional services. Even if the program—as a recipient of title I funds—increased school readiness, it would be difficult to know if the effect resulted from the educational services supported by title I funds, the nutritional services supported by other funds, or a combination of all the services the program offered. Education has previously acknowledged that these kinds of difficulties have impeded its efforts to isolate title I's effect for older children.

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## Conclusions

With increased attention on the importance of early childhood education, federal policymakers want to know whether the federal investment in early childhood education programs is effective in preparing children for school. Title I funds represent a significant and growing federal investment in preschool education, but its effect on children's school readiness is not known. Given previous difficulties in evaluating the effect of title I funding on older children, questions remain about whether title I's effect on school readiness can be isolated. However, Education has an opportunity to evaluate the feasibility of isolating and measuring this effect in designing its preschool study.

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## Recommendations

Given the large federal investment in title I and the current attention on the importance of early childhood education programs, we recommend that the Secretary of Education determine if it is feasible to isolate and measure title I's effect as part of Education's planned preschool study. If feasible, the Secretary should ensure that the final study design is structured to isolate and measure title I's effect.

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## Agency Comments

In commenting on the report, Education agreed with our recommendation that it conduct a feasibility study to determine whether title I's effect on school readiness can be isolated. Education also provided technical comments, which we incorporated in the report where appropriate.

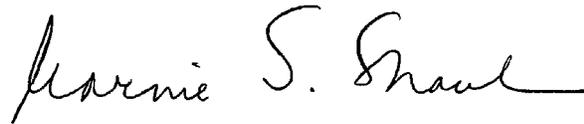
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We are sending copies of this report to the Honorable Richard W. Riley, Secretary of Education, relevant congressional committees, and other interested parties.

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Please contact me on (202) 512-7215 if you or your staff have any questions about this report. Other GAO contacts and staff acknowledgments are listed in appendix I.

Sincerely yours,

A handwritten signature in cursive script that reads "Marnie S. Shaul". The signature is written in black ink and is positioned below the text "Sincerely yours,".

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

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# GAO Contacts and Staff Acknowledgments

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## GAO Contacts

Diana Pietrowiak, (202) 512-6239  
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## Staff Acknowledgments

In addition to those named above, Mary Crenshaw, Harriet Ganson, Jay Smale, and Shannon Lightner made key contributions to this report.

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