



Highlights of [GAO-03-955](#), a report to congressional committees

# BUREAU OF INDIAN AFFAIRS SCHOOLS

## Expenditures in Selected Schools Are Comparable to Similar Public Schools, but Data Are Insufficient to Judge Adequacy of Funding and Formulas

### Why GAO Did This Study

In 2001, Congress directed GAO to examine the adequacy of Bureau of Indian Affairs (BIA) school funding and the adequacy of the formulas employed by BIA to distribute various types of operating funds. Because there is no universally accepted standard for adequacy, for this report, GAO examined (1) the sources and amounts of federal funding provided for BIA schools and how they are determined, (2) how BIA school budgets and expenditures compared to national per-pupil expenditures and expenditures for similarly situated public schools, and (3) how equitably various formulas distribute funding across BIA schools and whether they account for all relevant costs.

To obtain expenditure data for BIA schools GAO reviewed BIA budget and financial documents and collected data from 8 BIA and 6 public schools that were similar in terms of their relative isolation and student characteristics.

### What GAO Recommends

GAO is making recommendations for BIA to (1) collect detailed expenditure data comparable to public schools on BIA-operated schools in order to better assess the adequacy of both funding and formulas, (2) work with tribes to obtain detailed expenditure data from tribally operated schools, (3) improve the transportation formula, and (4) fully account for administrative services provided to BIA schools.

[www.gao.gov/cgi-bin/getrpt?GAO-03-955](http://www.gao.gov/cgi-bin/getrpt?GAO-03-955).

To view the full product, including the scope and methodology, click on the link above. For more information, contact Marnie S. Shaul at (202) 512-7215 or [shaulm@gao.gov](mailto:shaulm@gao.gov).

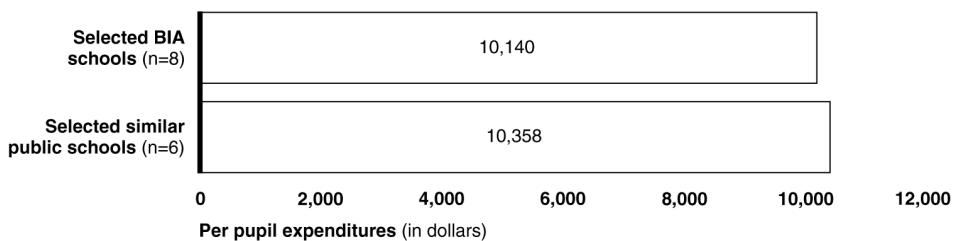
### What GAO Found

Most BIA school operating funds are provided by the Department of Interior through the standard federal budget process; however, the agency has little financial data to inform its school budget proposals. In 2002, Interior provided 78 percent of BIA's operating funds, while Education provided 22 percent. To formulate its annual budget proposals for BIA schools, Interior uses prior year data with updates for enrollment, teacher salaries, and fixed costs. Because BIA does not collect detailed expenditure data from its schools, GAO was unable to assess the overall adequacy of the funding.

BIA budgeted dollars for its 112 day schools were higher on a per-pupil basis than the national average expenditure for public schools, but expenditures were comparable for selected similar BIA and public schools. However, all 8 BIA schools GAO visited spent less on instruction and more on facilities than the public schools visited. Also, most BIA school officials GAO spoke with reported that their budgets for transportation did not cover their actual transportation expenditures. About 40 percent of all BIA-operated schools (day and boarding) spent more on transportation than they received through their transportation budgets in school year 2001-2002.

The six BIA formulas that BIA uses to distribute funds appear to have distributed funds fairly, but they did not include certain cost-related factors associated with BIA schools, and their adequacy cannot be determined from BIA's data. GAO found that the primary formula, the Indian School Equalization Program (ISEP) formula, distributed instructional funds equitably. The transportation formula for BIA schools does not account for costs associated with differences in degrees of isolation. Because BIA does not collect complete expenditure data, GAO was limited in its ability to assess the overall adequacy of the formulas.

Per-Pupil Expenditures in Selected Case Study Schools, School Year 2001-02



Source: GAO analysis.

Note: Does not include food. Similar spending does not imply adequate spending in either case.