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FY 2004

Performance and Accountability Report

U.S. Department of Education



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November 12, 2004

U.S. Department of Education
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November 2004

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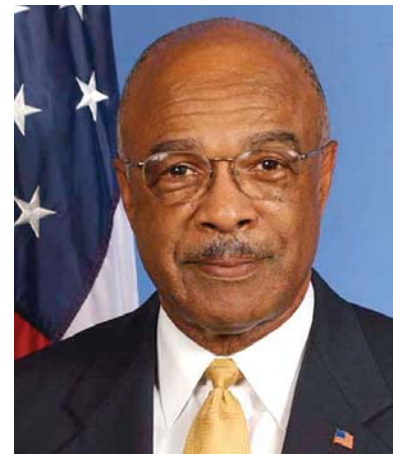
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Message from the Secretary

I am pleased to present the U.S. Department of Education's fiscal year 2004 Performance and Accountability Report. The report represents a measure of the Department's progress toward achieving its vision to ensure no child is left behind and presents the audited financial statements, which fairly state the financial status of the Department.

This is my fourth report to Congress and the American public. In 2001, I reported on our nation's dire need to ensure our investment in public education makes a difference for the millions of students who have been left behind. The next two reports focused on building a culture of accountability through the No Child Left Behind Act of 2001, and putting the law into action. This year I proudly report about our progress in accomplishing our vision and mission.



Thanks to No Child Left Behind and unprecedented commitment to management excellence, a culture of accountability has taken root at the Department. Nationally, we see a powerful testimony to this renewed attitude. While fourth-grade reading scores between 1992 and 2000 remained stagnant, there has been a five-point increase in the last three years nationally. We also see important movement among African American and Hispanic fourth-graders who know their reading and math basics. As a result the achievement gap is closing.

These achievements come at a time when the Department is maximizing taxpayer investments in education. For the programs, organizations, and functions covered by the Federal Managers' Financial Integrity Act (FMFIA), the Department accounting systems and management controls, taken as a whole, provide reasonable assurance that the objectives of the FMFIA have been achieved. For the third consecutive year, we received an unqualified "clean" audit opinion.

These achievements are a result of the careful attention to and tracking of the five-year Strategic Plan established in 2002, and subsequent annual plans. The Department is serious about its regular review and reporting of performance and financial accountability as required by the Government Performance and Results Act and the Government Management Reform Act.

In promoting a culture of accountability, we have made every effort to clearly, accurately, and completely report on the Department's progress toward fulfilling its responsibilities and goals. Except for data limitations explicitly discussed in the Performance Details section or in the Performance Data Tables (Appendix A), I hereby provide assurance that performance data herein are complete and reliable. Actions we are taking to resolve inadequacies are thoroughly discussed in the Performance Details section, Performance Data Tables (Appendix A), and Data Quality and Timeliness (Appendix B). We hope this report will be of use to Congress and the American public.

Each day we get closer to the best in American education, discarding our deficiencies and correcting long-standing problems. With continued effort, and working with our state and local partners, we can be confident about the years to come.

Sincerely,

A handwritten signature in black ink that reads "Rod Paige".

Rod Paige
November 12, 2004



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*In our tradition of quality reporting,
the Department of Education
proudly presents this
FY 2004 Performance and Accountability Report.*

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