



UNITED STATES DEPARTMENT OF EDUCATION

THE DEPUTY SECRETARY

June 27, 2007

Tom Dowd
Director, Bureau of Indian Education
Department of the Interior
1849 C Street N.W.
MIB MS 3609
Washington, DC 20240

Dear Mr. Dowd:

We appreciate the work that you and the Bureau of Indian Education (BIE) have accomplished during the past year to correct management and accountability issues in the BIE's administration of U.S. Department of Education (Department) funds. We also appreciate the collaboration and cooperation between our agencies that has marked your tenure.

However, as we have discussed, the Department is concerned that the BIE is making inadequate progress on implementation of the corrective actions identified in the Department of the Interior's (Interior's) Program Improvement and Accountability Plan (PIAP), which Interior intended to be fully completed by July 1, 2007. The PIAP contains objectives, tasks, and subtasks applicable to important programmatic and fiscal requirements, which Interior determined were needed to promote the academic achievement for all Indian children and ensure the integrity of the funds Congress appropriates to our agencies for their education. In agreeing that Interior proceed with implementation of the PIAP, the Department concurred in the importance of these objectives, tasks, and subtasks. In June 2005, prior to your agency's submission of the final version of its PIAP, we put Interior on notice that if the Department determines that the BIE is not successfully executing its plan, we would consider taking further action that could include establishment of special conditions on BIE's receipt of grant funds.

The BIE has been submitting quarterly reports to the Department on its progress in implementing the PIAP since October 2005. After review of the quarterly reports, the Department has determined that the BIE's subtask completion rate is unsatisfactory. BIE reported in its final quarterly report for the 2005-2006 school year a subtask completion rate of 62 percent. The two most recent quarterly reports for the 2006-2007 school year show subtask completion rates of 38 percent and 57 percent, respectively. In this regard, I note that the most recent quarterly report identifies, a--

- 19 percent completion rate for ensuring that highly qualified teachers and principals are hired, trained, and retained (due for completion by 5/30/07);
- 66 percent completion rate for developing the strategies needed to decrease the gap between the percentage of students scoring *proficient and advanced*

versus the percentage required to make adequate yearly progress (AYP) on state assessments (due for completion by 12/31/06); and

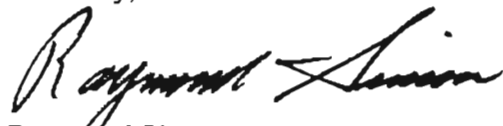
- 61 percent completion rate for ensuring, in the area of special education, 100 percent of non-compliance issues corrected within one year (due within one year of identification).

In part, the BIE explains that the drop in completion rate in various areas since June 2006 resulted from significant leadership and management changes made at the beginning of July 2006. While we look forward to reviewing the final report BIE will submit to the Department by July 31, we are concerned that BIE will be unable to report at that time that the corrective actions have been completed. Moreover, as the Department recently learned that you have resigned, effective August 3, 2007, it appears that BIE may again be facing significant leadership changes and be at further risk of delayed execution of its plan.

Consequently, the Department is imposing the enclosed special conditions on Interior's receipt of all funds the Department is providing to Interior from FY '07 funds available for obligation as of July 1, 2007.

The Department continues its commitment to working closely with you to improve the delivery of federally supported education services, and looks forward to seeing your agency's progress as it addresses its many challenges and meets the special conditions.

Sincerely,



Raymond Simon

c.c.: Carl Artman, Assistant Secretary, Indian Affairs
Office of the Secretary, U.S. Department of the Interior

Department of the Interior– Special Conditions
Federal Fiscal Year (FY) 2007

1. **2006-2007 PIAP Final Report:** The Department of the Interior (Interior) must submit to the Department of Education (Department) by July 31, 2007, its final PIAP report for the 2006-2007 school year. The report will contain (a) the status of each subtask scheduled to be completed, (b) Interior's supporting documentation regarding completion of the subtasks, including explanation of delays for all subtasks and expected completion dates for all unimplemented actions, and (c) other data or documentation as the Department may request in order to verify the completion of tasks and subtasks.

2. **2007-2008 PIAP and Reporting Requirements:** Interior will continue to implement the PIAP for the summer term of 2007 and school year 2007-2008, and record on at least a quarterly basis (a) specific completion dates for all tasks, subtasks, and key milestones, and (b) updates to ensure that previously completed tasks and subtasks remain completed. If not now incorporated into its plan, Interior will specify as part of the PIAP the individual(s) who will have ownership of each task and subtask, the projected schedule for completion of each of these tasks and subtasks, and the key milestones or indicators it will use to indicate whether or not the task or subtask is on schedule.

To ensure progress, Interior will provide the Department with quarterly progress reports, which will be due to the Department 30 days after the end of each quarter. Each quarterly report will contain (a) a description of activities and progress for each subtask during the reporting period, (b) the status of each subtask scheduled to be completed during the reporting period, (c) supporting documentation regarding completion of the subtasks, including explanation of delays for all subtasks and expected completion dates for all unimplemented actions, and (d) other data or documentation as the Department may request in order to verify the completion of tasks and subtasks.

All required reports submitted to the Department under these special conditions should be sent to:

Susan Benbow
Management Improvement Team
Office of the Secretary
U.S. Department of Education
400 Maryland Avenue, SW, Room 7E302
Washington, DC 20202