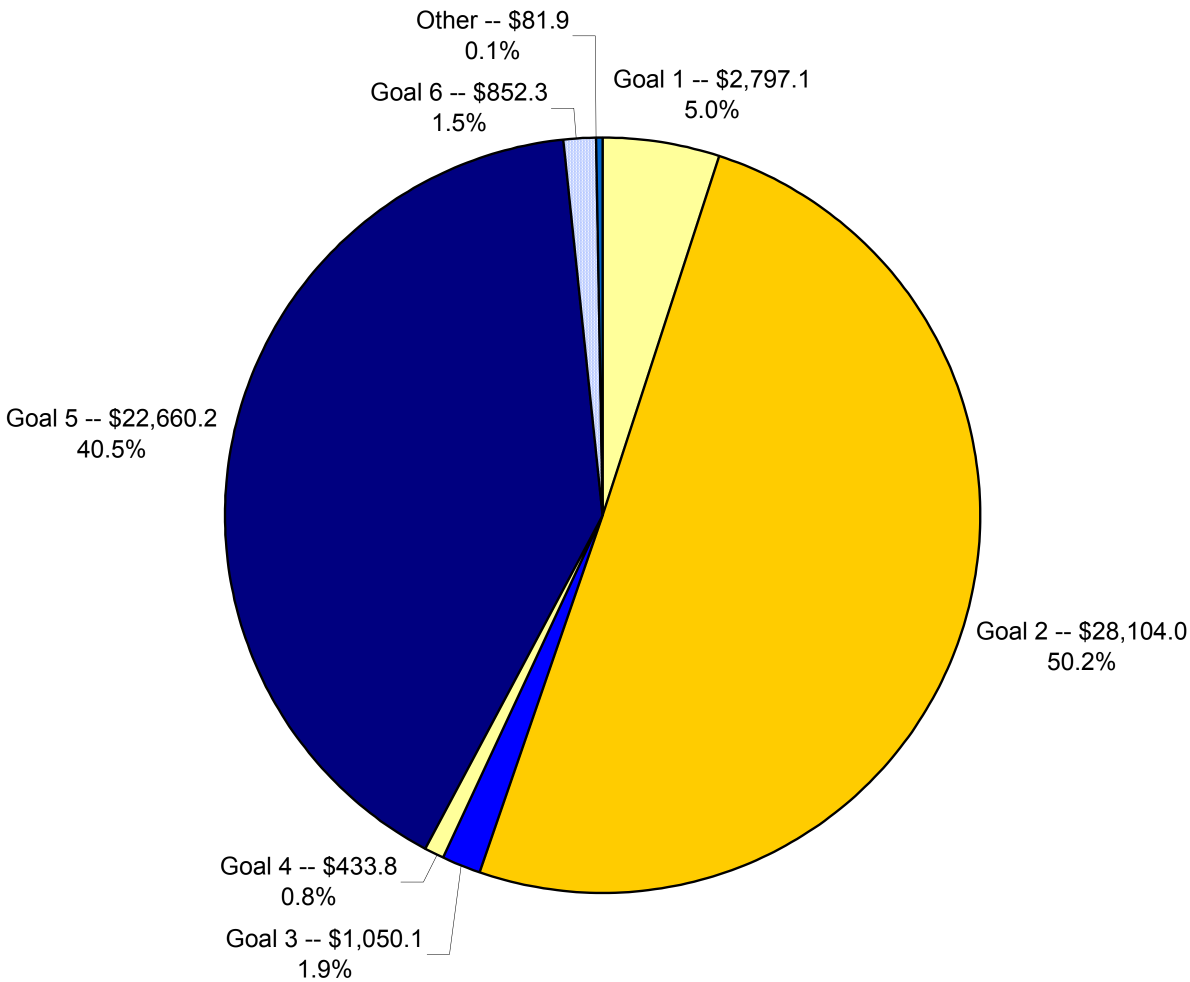
Appendices

Appendix A

ED Fiscal Year 2002 Percentage of Funding by Goal

(dollars in millions)



Goal 1: Create a culture of achievement
Goal 2: Improve student achievement
Goal 3: Develop safe schools and strong character
Goal 4: Transform education into an evidence-based field
Goal 5: Enhance the quality of and access to postsecondary and adult education
Goal 6: Establish management excellence
Other: Civil rights activities

Source: Internal Department of Education estimates provided by Budget Service.

Appendix A: Department of Education Fiscal Year 2002 Appropriations and Staffing Allocated by Goal and Objective

	Total ($ in millions)	Program ($ in millions)	S&E ($ in millions)	Staffing (FTE)
	$55,979.4	**$54,781.1**	**$1,198.4**	**4,710**
Goal 1: Create a culture of achievement	**2,797.1**	**2,738.7**	**58.4**	**358**
Objective 1.1--Link Federal education funding to accountability for results	**1,204.6**	1,168.7	35.9	250
Objective 1.2--Increase flexibility and local control	**67.4**	60.0	7.4	54
Objective 1.3--Increase information and options for parents	**874.9**	859.8	15.1	54
Objective 1.4--Encourage the use of scientifically based methods within Federal education programs	**650.3**	650.3	0.0	0
Goal 2: Improve student achievement	**28,104.0**	**28,033.1**	**70.9**	**508**
Improve student achievement	**1,606.8**	1,606.8	0.0	0
Objective 2.1--Ensure that all students read on grade level by the 3rd grade	**9,898.9**	9,873.5	25.4	179
Objective 2.2--Improve mathematics & science achievement for all students	**6,897.0**	6,879.8	17.1	125
Objective 2.3--Improve the performance of all high school students	**4,204.6**	4,183.1	21.5	154
Objective 2.4--Improve teacher and principal quality	**5,496.7**	5,489.9	6.8	50
Goal 3: Develop safe schools and strong character	**1,050.1**	**1,039.1**	**10.9**	**79**
Develop safe schools and strong character	**15.5**	**15.5**	**0.0**	
Objective 3.1--Ensure that our Nation's schools are safe and drug free and that students are free of alcohol, tobacco and other drugs	**933.7**	923.5	10.2	74
Objective 3.2--Promote strong character and citizenship among our Nation's youth	**100.8**	100.1	0.7	5
Goal 4: Transform education into an evidence-based field	**433.8**	**372.5**	**61.3**	**413**
Objective 4.1--Raise the quality of research funded or conducted by the Department	**256.2**	194.9	61.3	413
Objective 4.2--Increase the relevance of our research in order to meet the needs of our customers	**177.6**	177.6	0.0	0
Goal 5: Enhance the quality of and access to postsecondary and adult education	**22,660.2**	**22,569.4**	**90.7**	**595**
Enhance the quality of & access to postsecondary & adult educ.	**169.8**	169.8	0.0	0
Objective 5.1--Reduce the gaps in college access and completion among student populations differing by race/ethnicity, socioeconomic status, and disability while increasing the educational attainment of all	**2,063.1**	2,040.8	22.3	158
Objective 5.2--Strengthen accountability of postsecondary institutions	**98.8**	77.6	21.2	134
Objective 5.3--Establish effective funding mechanisms for postsecondary education	**16,249.6**	16,249.6	0.0	0
Objective 5.4--Strengthen HBCU, Hispanic serving institutions, and tribal colleges and universities	**534.5**	532.5	2.0	14
Objective 5.5--Enhance the literacy & employment skills of American adults	**3,544.4**	3,499.1	45.3	289
Goal 6: Establish management excellence	**852.3**	**23.8**	**828.6**	**2,039**
Objective 6.1--Develop and maintain financial integrity and management and internal controls	**101.6**	5.5	96.1	463
Objective 6.2--Improve strategic management of ED's human capital	**175.0**	0.0	175.0	211
Objective 6.3--Manage IT resources, using e-gov, to improve service customers and partners	**99.8**	18.3	81.5	125
Objective 6.4--Modernize the SFA programs & reduce their high-risk status	**466.5**	0.0	466.5	1,190
Objectve 6.5--Achieve budget and performance integration to link funding decisions to results	**9.5**	0.0	9.5	50
Objective 6.6--Leverage the contributions of community- and faith-based organizations to increase the effectiveness of ED programs	**0.0**	0.0	0.0	0
Objective 6.7--By becoming a high performance, customer-focused organization, earn the President's Quality Award	**0.0**	0.0	0.0	0
Other	**81.9**	**4.4**	**77.5**	**718**

Note--All funds under "Other" are attributable to civil rights activities.
Source: Internal Department of Education estimates provided by Budget Service.

Department of Education
Percentage of FY 2002 Appropriations Allocated by Goal or Objective

		Objective																														
Program	FY 2002 Appropriation ($ in 000s)	**Goal 1**	1.1	1.2	1.3	1.4	**Goal 2**	2.1	2.2	2.3	2.4	**Goal 3**	3.1	3.2	**Goal 4**	4.1	4.2	**Goal 5**	5.1	5.2	5.3	5.4	5.5	**Goal 6**	6.1	6.2	6.3	6.4	6.5	6.6	6.7	**Other**
Education for the Disadvantaged																																
Title I Grants to local educational agencies	$10,350,000		0.10					0.50	0.30	0.05	0.05																					
Reading first State grants	900,000							0.80			0.20																					
Early reading first	75,000							0.80			0.20																					
Even start	250,000							0.80															0.20									
Literacy through school libraries	12,500							0.80	0.05	0.10	0.05																					
Migrant	396,000						1.00																									
Neglected and delinquent	48,000								0.35	0.65																						
Comprehensive school reform	235,000							0.70	0.10	0.10	0.10																					
Evaluation	8,900						1.00																									
Close up fellowships	1,500													1.00																		
Advanced placement incentives	22,000									0.60									0.40													
Dropout prevenstion	10,000									1.00																						
High school equivalency program	23,000									1.00																						
College assistance migrant program	15,000																		1.00													
Impact Aid																																
Basic support payments	982,500							0.25	0.25	0.25	0.25																					
Payments for children with disabilities	50,000							0.34	0.33	0.33																						
Facilities maintenance	8,000			1.00																												
Construction	48,000						1.00																									
Payments for Federal property	55,000						1.00																									
School Improvement Programs																																
Improving teacher quality State grants	2,850,000										1.00																					
School leadership	10,000										1.00																					
Advanced credentialing	10,000										1.00																					
Early childhood educator professional development	15,000										1.00																					
Mathematics and science partnerships	12,500								0.80		0.20																					
Troops-to-teachers	18,000										1.00																					
Transition to teaching	35,000										1.00																					
National writing project	14,000										1.00																					
We the People	15,500											1.00																				
Cooperative education exchange	11,500													1.00																		
Teaching of traditional American history	100,000										1.00																					
Educational technology State grants	700,500					0.02		0.38	0.35		0.25																					
Ready to learn television	22,000							0.70						0.30																		
Preparing tomorrow's teachers to use technology	62,500										1.00																					
21st century community learning centers	1,000,000					0.05		0.45	0.15	0.15			0.10	0.05									0.05									
State grants for innovative programs	385,000							0.25	0.25	0.25	0.25																					
Charter schools grants	200,000		0.15	0.15	0.70																											
Voluntary public school choice	25,000				0.85			0.05	0.05	0.05																						
Magnet schools assistance	110,000			0.20	0.80																											
FIE/Programs of national significance	383,955					0.10		0.10	0.10	0.40	0.10		0.20																			
FIE/Character education	25,000													1.00																		
FIE/RIF-Inexpensive book distribution	24,000							1.00																								
FIE/Elementary & secondary school counseling	32,500						1.00																									
FIE/Smaller learning communities	142,189									1.00																						
FIE/Javits gifted and talented	11,250						1.00																									
FIE/Star schools	27,520						1.00																									
FIE/Ready to teach	12,000										1.00																					
FIE/Foreign language assistance	14,000						1.00																									
FIE/Physical education for progress	50,000						1.00																									
FIE/Community technology centers	32,475																	1.00														
FIE/Exchanges with historic whaling & trading partners	5,000													1.00																		
FIE/Arts in education	30,000						1.00																									
FIE/Parental assistance information centers	40,000				1.00																											
FIE/Women's educational equity	3,000						1.00																									
Safe and drug-free schools	746,750												1.00																			
State assessments and enhanced assessment instruments	387,000		0.10				0.90																									
Education for homeless children and youth	50,000						1.00																									
Education for Native Hawaiians	30,500							0.20	0.20	0.20	0.20								0.20													
Alaska Native education equity	24,000							0.20	0.20	0.20	0.20								0.20													
Training and advisory services	7,334									0.20	0.20																					0.60
Rural educaiton	162,500						1.00																									
Indian Education																																
Grants to local educational agencies	97,133							0.40	0.40	0.20																						
Special programs for Indian children	20,000							0.30			0.70																					
National activities	3,235															0.50	0.50															

Department of Education
Percentage of FY 2002 Appropriations Allocated by Goal or Objectives

Program	FY 2002 Appropriation ($ in 000s)	Objective																														
		Goal 1	1.1	1.2	1.3	1.4	Goal 2	2.1	2.2	2.3	2.4	Goal 3	3.1	3.2	Goal 4	4.1	4.2	Goal 5	5.1	5.2	5.3	5.4	5.5	Goal 6	6.1	6.2	6.3	6.4	6.5	6.6	6.7	Other
English Language Acquisition																																
Language acquisition State grants	665,000						0.40	0.60																								
Special Education (IDEA)																																
Grants to States	7,528,533				0.05	0.05		0.20	0.35	0.25	0.10																					
Preschool grants	390,000				0.05	0.05		0.50	0.30		0.10																					
Grants for infants and families	417,000				0.35	0.10		0.35	0.15		0.05																					
State improvement	51,700						0.20				0.80																					
Research and innovation	78,380					0.25		0.25								0.25	0.25															
Technical assistance and dissemination	53,481				0.05	0.40		0.20	0.10	0.10	0.15																					
Personnel preparation	90,000										1.00																					
Parent information centers	26,000				1.00																											
Technology and media services	37,710					0.15		0.35	0.10	0.10						0.15	0.15															
Rehabilitation Services and Disability Research																																
Vocational rehabilitation State grants	2,455,385																						1.00									
Grants for Indians	25,998																						1.00									
Client assistance State grants	11,897																						1.00									
Training	39,629																						1.00									
Demonstration and training programs	21,238																						1.00									
Migrant and seasonal farmworkers	2,350																						1.00									
Recreational programs	2,596																						1.00									
Protection and advocacy	15,200																						1.00									
Projects with industry	22,071																						1.00									
Supported employment State grants	38,152																						1.00									
Independent living	109,796																						1.00									
Program improvement	900																						1.00									
Evaluation	1,000																						1.00									
Helen Keller National Center for Deaf-Blind Youths and Adults	8,717																						1.00									
National Institute on Disability and Rehabilitation Research	110,000					0.10										0.50	0.30								0.05		0.05					
Assistive technology	60,884						0.50																0.50									
Access to Telework Fund	20,000																						1.00									
Special Institutions for Persons with Disabilities																																
American Printing House for the Blind	14,000							0.50	0.30	0.20																						
National Technical Institute for the Deaf	55,376										0.05								0.90				0.05									
Gallaudet University	96,938							0.10	0.05	0.10	0.05								0.70													
Vocational and Adult Education																																
Vocational education State grants	1,180,000		0.05							0.60									0.30	0.05												
Vocational education national programs	12,000		0.05							0.60									0.30	0.05												
Occupational and employment information (grants)	8,075						1.00																									
Tribally controlled postsecondary voc. & tech. Institutions	6,500																					1.00										
Tech-prep State grants	108,000									0.70									0.30													
Tech-prep demonstration	5,000									0.70									0.30													
Adult education State grants	575,000																						1.00									
National Institute for Literacy (grants)	1,500																						1.00									
Adult education national leadership activities	9,500																						1.00									
State grants for incarcerated youth offenders	17,000						1.00																									
Literacy programs for prisoners	5,000																						1.00									
Student Financial Assistance																																
Federal Pell grants	11,314,000																				1.00											
Federal supplemental educational opportunity grants	725,000																				1.00											
Federal work-study	1,011,000																				1.00											
Federal Perkins loans	167,500																				1.00											
Leveraging educational assistance partnership	67,000																				1.00											
Loan forgiveness for child care providers	1,000																				1.00											
Federal Family Education Loans (Liq. & Program)																																
Loan subsidies	3,553,001																				1.00											
Federal Direct Student Loans																																
Loan subsidies and payments for services to guaranty agencies	(543,827)																				1.00											

Department of Education
Percentage of FY 2002 Appropriations Allocated by Goal or Objectives

Program	FY 2002 Appropriation ($ in 000s)	Objective																														
		Goal 1	1.1	1.2	1.3	1.4	**Goal 2**	2.1	2.2	2.3	2.4	**Goal 3**	3.1	3.2	**Goal 4**	4.1	4.2	**Goal 5**	5.1	5.2	5.3	5.4	5.5	**Goal 6**	6.1	6.2	6.3	6.4	6.5	6.6	6.7	**Other**
Higher Education																																
Strengthening insitutions	73,625																		1.00													
Strengthening tribally controlled colleges & universities	17,500																		0.20			0.80										
Strengthening Alaska Native and Native Hawaiian serving insts.	6,500																		1.00													
Strengthening HBCUs	206,000																		0.20			0.80										
Strengthening historically black graduate institutions	49,000																		0.20			0.80										
Minority science and engineering improvement	8,500																		0.80			0.20										
Developing Hispanic-serving institutions	86,000																		0.20			0.80										
International education and foreign language studies	98,500										0.04						0.05	0.91														
FIPSE	180,922																0.03		0.97													
Demonstration projects for students with disabilities	7,000																0.25		0.75													
Interest subsidy grants	5,000																				1.00											
Federal TRIO programs	802,500																		1.00													
GEAR UP	285,000																		1.00													
Byrd honors scholarships	41,001																	1.00														
Javits Fellowships	10,000																		1.00													
Graduate assistance in areas of national need	31,000																		1.00													
Thurgood Marshall legal educational opportunity	4,000																		1.00													
B.J. Stupak Olympic scholarships	1,000																	1.00														
Child care access means parents in school	25,000																		1.00													
Teacher quality enhancement	90,000										0.80									0.20												
GPRA data/HEA program evaluation	1,000										0.12							0.88														
Underground railroad program	2,000													0.25				0.75														
Howard University	237,474																					1.00										
HEFL Liquidating	(1,243)																	1.00														
CHAFL Liquidating	4,553																	1.00														
Education Research, Statistics, and Assessment																																
Research and dissemination (minus NERPPB)	120,817					0.10										0.45	0.45															
Regional educational laboratories	67,500					0.60		0.10	0.10	0.10	0.10																					
Statistics	85,000															0.50	0.35										0.15					
National assessment	107,500		0.05					0.20	0.20	0.20						0.15	0.20															
Regional technology in educatiion consortia	10,000						1.00																									
Comprehensive regional assistance centers	28,000						1.00																									
Eishenhower regional mathematics & science consortia	15,000								1.00																							
Eisenhower National Clearinghouse for Math & Science	5,000								1.00																							
Receipts	(50,027)																				1.00											
Subtotal, Program	**54,781,043**																															
Subtotal, Program ($ millions)	**54,781.0**																															
Salaries and Expenses																																
Program administration	418,798																															
Office for Civil Rights	79,666																															
Office of the Inspector General	38,588																															
NIFL (VAE)	5,060																															
Occupational and employment information (VAE)	1,425																															
NERPPB (ERSA)	1,000																															
NAGB (ERSA)	4,053																															
FFEL Federal administration	48,836																															
HEA sec. 458 Fed. admin. (minus payments to guaranty agencies	600,000																															
CHAFL Federal administration	762																															
HBCU capital financing Federal administration	208																															
Subtotal, Salaries & Expenses	**1,198,396**																															
Subtotal, S&E ($ millions)	**1,198.4**																															
TOTAL	**55,979,439**																															
TOTAL ($ millions)	**55,979.4**																															

Appendix B: President's Management Agenda—Scorecard for Department of Education

	Current Status (As of September 30, 2002)		Progress in Implementing the President's Management Agenda		Comments
Initiative **Human Capital** **Agency Lead:** Bill Leidinger	Red	ED's human capital strategy (One-ED) provides a framework for increasing the efficiency of significant business functions, improving management of human resources, and optimizing the organizational structure to meet Departmental goals and objectives. As implementation efforts for One-ED are in the very early stages, ED does not yet have in place a mature system for identifying and addressing human capital deficiencies. Specifically, the One-ED plan needs to ensure that: • mission critical skills gaps/deficiencies are identified and addressed • employee performance is tied to strategic goals • human capital decisions are guided by a data driven, results-oriented accountability system "Current Status" upgrade possible in 1Q FY 2003 if implementation efforts proceed on schedule and ED begins to show tangible evidence that the One-ED process is leading to significant human capital improvements.	Green	<u>Actions Taken Since September 30, 2001</u> ED has begun implementation of the One-ED plan. ED has: • issued a blanket purchase agreement to obtain contractor assistance with Phase 1 tasks • selected a contractor and begun work on applying the One-ED model to ED's HR processes • convened a steering committee to manage/oversee implementation • continued communication efforts with the Executive Management Team, Senior Executives, program offices • begun to develop competencies for mission critical business lines • begun development of agency-wide system linking employee performance to progress on strategic planning goals • completed Union negotiations on revised performance appraisal system and developed implementation schedule <u>Planned Actions for Q1 FY 2003</u> During the first quarter of the upcoming fiscal year, ED plans to continue re-engineering analysis of HR, and expand analyses to other ED processes, including legal review, payment processing, audit review, and student financial assistance policy.	The One-ED review process provides a snap-shot (or baseline) of ED operations, work flows, and human resource allocations. When the baseline is complete, ED will be able to set out a vision (i.e. performance targets and goals) for what the re-engineered, delayered, and citizen-centered ED will look like. The Department has established an ambitious schedule to review every major business function by 3/05. Prior to that time, however, One-ED will not have quantifiable goals, making it difficult to link the process to future budget requirements. That said, the One-ED process puts ED in the very favorable position of having an accurate baseline for assessing human capital needs, including a global view of in-house skill deficiencies and intra and inter-agency business function comparisons. Critical next steps include: • continue implementation for HR and begin review of legal, audit, and student financial assistance policy processes. • complete appraisal system reforms • incorporate quantifiable performance measures into the One-ED process

Definitions of Progress Evaluation

Green: Implementation is proceeding according to plans agreed upon with the agencies.
Yellow: Slippage in implementation schedule, quality of deliverables, or other issues requiring adjustments by agency in order to achieve initiative on a timely basis.
Red: Initiative in serious jeopardy. Unlikely to realize objectives absent significant management intervention.

	Current Status (As of September 30, 2002)		Progress in Implementing the President's Management Agenda		Comments
Competitive Sourcing **Agency Lead:** Bill Leidinger	Red	ED has developed its "One-ED" plan that defines a process for simultaneously performing human capital restructuring with competitive sourcing reviews. At the current time, the plan is in the preliminary implementation stage. As a result, ED has not achieved the short-term goal of competing 15 percent of the FAIR Act inventory or the long-term goal of 50 percent. ED and OMB have agreed in principle to the Department using a modified competitive sourcing process that relies on "Best Value" metrics in determining outsourcing. To maintain a green on progress in Q1 2003, ED must establish milestones and show progress toward meeting the 15 percent goal by the end of FY 2003.	Green	<u>Actions Taken Since September 30, 2001</u> ED incorporated competitive sourcing into One-ED (described in *Human Capital*), where ED will review personnel deployment and competitive sourcing in four phases, from June 2002 through March 2005. ED will conduct reviews of job-types across the Dept. rather than by office. In ED's FY 2002 FAIR Act inventory, commercial FTE increased from 1,826 in FY 2001 (37 percent of total FTE) to 3,062 (65 percent of total FTE). Per ED, this was due to One-ED, which redefined or eliminated previous activities, and determined realigned FTE were no longer inherently governmental. ED expects further adjustments in FYs 2003–2004. ED completed One-ED briefings with all affected Dept. organizations, and has begun to assist employees with developing competitive proposals. <u>Planned Actions for Q1 FY 2003</u> Continue One-ED's phase I, which focuses on human resources and other support services. Final phase I competitive sourcing decisions should be made by Feb. 2003.	• ED's success in this initiative is directly tied to its progress in implementing One-ED's ambitious schedule. Any One-ED setbacks would delay progress in competitive sourcing. Still, One-ED, and ED's willingness to reexamine prior FTE/activity determinations in their FAIR Act inventories, are both promising. • ED should ensure that routine interagency reimbursable activities are competed as part of One-ED. Currently, it appears these activities will be reviewed in phase IV, beginning in Oct. 2004. ED should consider accelerating this review. • One-ED phases I and II should provide the basis for completing competitions on 15 percent of its FAIR Act inventory by Sept. 2003. Current status will likely be upgraded when this happens. Critical next steps include: • Timely implementation One-ED, beginning with the completion of phase I by Feb 2003. • Continuing to assist employees with developing competitive proposals. • Initiating competitions in order to meet the 15 percent goal by Sept. 2003. • Ensuring ED management coordinates with key personnel to ensure success on the "Best Value" approach for competitive sourcing

Definitions of Progress Evaluation

Green: Implementation is proceeding according to plans agreed upon with the agencies.

Yellow: Slippage in implementation schedule, quality of deliverables, or other issues requiring adjustments by agency in order to achieve initiative on a timely basis.

Red: Initiative in serious jeopardy. Unlikely to realize objectives absent significant management intervention.

Appendix B: President's Management Agenda—Scorecard for Department of Education

	Current Status (As of September 30, 2002)		Progress in Implementing the President's Management Agenda		Comments
Financial Performance **Agency Lead:** Jack Martin	Red	ED received a qualified audit opinion on its most recent audited financial statements (FY 2001). The auditors continued to cite weaknesses from prior audits, including failures to reconcile financial data, inadequate internal controls, and lack of reliable opening account balances. In addition, the auditors noted that the Department is not substantially in compliance with the Federal Financial Management Improvement Act, particularly due to information technology problems and unsupported manual adjustments. ED's current financial systems and processes do not support day-to-day operations. "Current Status" upgrade possible 2Q FY 2003, so long as: • ED receives an unqualified audit opinion in '02 • Agency head provides unqualified assurance statement • There are no material noncompliance issues with laws and regulations • There are no repeat material internal control issues • ED demonstrates use of accounting data to support day-to- day operations	Yellow	<u>Actions Taken Since Sept. 30, 2001</u> ED has implemented a detailed action plan for achieving a clean FY 2002 audit opinion. Specifically, ED has: • Submitted 247 separate "provide by client items" (which support statement balances and demonstrate compliance with laws and regulations) • Provided auditors with interim financial statements/trial balances for period ending 6/30/02. • Accelerated the audit process by over a month using mid-year credit subsidy estimates (which allow for a more thorough audit of estimates) and by integrating trial balance and financial statement relationship tests into the Oracle Reporting module • Completed a mock year-end close <u>Planned Actions for Q1 FY 2003</u> • Successfully close FY 2002 in the accounting system • Successfully modify accounting system to comply with FY 2003 SGL account classifications and other requirements • Prepare and support FY 2002 Financial Statements and deliver them to the auditors	In addition to the clean audit action plan, ED has made general improvements to financial management, including deployment of a new general ledger system and significant reductions in unreconciled cash items. Despite this progress, much work remains to ensure a positive result for the FY 2002 audit and beyond. The Department has not resolved: • problems with the data/template between the FSA subledger and the General Ledger (continues to prevent data postings for FSA records, and has slowed critical reconciliation efforts) • need for increased coordination between FSA and ED accounting Critical next steps include: • timely completion of FY 2002 financials • implement a systemic process that will ensure that accounting to support new feeder system feeds to and from the general ledger, or enhancements thereto, are correct in all material aspects

Definitions of Progress Evaluation
Green: Implementation is proceeding according to plans agreed upon with the agencies.
Yellow: Slippage in implementation schedule, quality of deliverables, or other issues requiring adjustments by agency in order to achieve initiative on a timely basis.
Red: Initiative in serious jeopardy. Unlikely to realize objectives absent significant management intervention.

	Current Status (As of September 30, 2002)		Progress in Implementing the President's Management Agenda		Comments
E-Government **Agency Lead:** Bill Leidinger	Red	The Department has improved its investment review process by: • developing an agency-wide business case template aligned with Ex. 300 requirements • expanding CPIC process to incorporate all business units • establishing a dept.-wide IRB ED has improved commitment to govt.-wide E-gov initiatives: • E-grants: detailing an FTE, assigning 3 part-time FTE, and designating CFO to exec. board • E-loans: solely funding Phase I and the development of a joint business case; assigning 3 FTE • Funding contribution: $1.7 million in 2002 (however, ED must work to finalize 2003 and 2004 funding commitments). To change status in Q1 2003, ED must: • complete security plans and remediation actions for all major systems and demonstrate that certification and accreditation will occur after end of Q1 • commit to 2003 and 2004 funding • demonstrate significant progress toward the development of an integrated EA	Green	Actions Taken Since September 30, 2001 In addition to improvements to the investment review process, ED has: • Begun implementation of Performance-based Data Management Initiative • Linked management agenda to specific actions and milestones related to govt.-wide E-gov initiatives • Performed risk assessment of all major and significant systems; laying foundation to construct and implement security plan for entire Department Planned Actions for Q1 FY 2003 • Complete e-Loans project plan and make final recommendations on the parameters of the initiative. • Continue implementation of system risk assessments and associated corrective action plans. • Provide OMB with a specific timeline for completion of an integrated EA	Initial analysis of 2004 Ex. 300's show progress in some areas and continued need for improvement in others. While the 2004 business cases support ED's strategic plan and business objectives, they are not aligned with govt.-wide E-gov initiatives. Many systems do not have security plans and remediation actions, and have not completed certification & accreditation. Although ED should continue to consolidate EA and One-ED planning to provide an agency-wide perspective on how IT relates to business processes, One-ED timeframes will delay completion of a consolidated EA. Without a completed EA, ED is susceptible to redundant, incompatible investments. For example, recent work between OMB and the CIO revealed redundant investments in web architecture to support various information collection efforts. Critical next steps include: • develop timeline for completed EA • commit to 2003 and 2004 funding • complete security plans and remediation actions for all major systems (and prepare to complete certification and accreditation) • fully participate in the development and deployment of E-gov initiatives

Definitions of Progress Evaluation

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Appendix B: President's Management Agenda—Scorecard for Department of Education

	Current Status (As of September 30, 2002)		Progress in Implementing the President's Management Agenda		Comments
Budget & Performance Integration **Agency Lead**: William Hansen	Red	ED has not finalized a strategy for: • Integrating budget planning with strategic planning. • Obtaining performance data currently lacking in many programs. • Charging full budgetary costs to mission accounts and integrating performance data into budget requests. ED continues to work on a multi-year strategy to gather performance data. To date, the Department: • In Adult and Voc. ED, IDEA and HEA reauthorizations, ED has committed to increasing accountability in programs by linking budget and performance through statutory changes. • Developed an evaluation plan for programs over $100 million.	Green	<u>Actions Taken Since September 30, 2001</u> ED's FY 2004 OMB Budget request: • Presents a breakdown of relevant S&E costs attributed to each program and mission account. • Budget presentation aligned to strategic plan objectives and show resources for each goal. • Uses available performance data to guide budget decisions. ED reorganized the strategic planning and budget staff under the Deputy Secretary. These staffs coordinate budget decisions, strategic planning efforts, and track progress on action steps. ED worked with OMB and other agencies to develop Job Training Common Measures (to be used for 10 ED programs), and will first report performance in the 2004 Budget. <u>Planned actions for Q1 2003</u> • Prepare reauthorization proposals and strategy for IDEA & OVAE to strengthen performance reporting. • Report on Job Training Common Measures, and address areas where data are not available.	ED worked with OMB to complete PARTs for 21 programs (over 50 percent of disc. budget). PARTs highlighted the lack of outcome data in many programs. NCLB established a linkage between performance and Federal support for many el/sec education programs. Upcoming reauthorizations should address data needs in other programs. Still, these efforts may not yield useful data for several years. This lack of data remains a significant obstacle for integrating budget decisions and performance. While ED's budget submission uses available outcome data, ED often could not link its budget to performance. ED plans to keep a centralized administrative structure, while amending its budget planning process to include a disaggregation of admin costs for each program, should provide needed flexibility while reflecting the full cost of programs. Critical next steps include: • Continue to develop measures and data collection strategies for assessing program performance, including student aid unit costs. • Refine S&E program allocations

Definitions of Progress Evaluation
Green: Implementation is proceeding according to plans agreed upon with the agencies.
Yellow: Slippage in implementation schedule, quality of deliverables, or other issues requiring adjustments by agency in order to achieve initiative on a timely basis.
Red: Initiative in serious jeopardy. Unlikely to realize objectives absent significant management intervention.

Program Initiative	Current Status as of September 30, 2002	Progress in Implementation
Elimination of Fraud and Error in Student Aid Programs and Deficiencies in Financial Management		

Comments:

Despite ED's continued progress on this initiative, student aid programs continue to be at high risk for fraud and error. The Department has hired a new COO, CFO and FP manager for FSA this quarter and the Secretary has made it clear to them that removal of the FSA programs from the High Risk list is one of their top priorities. ED has made general improvements to its financial management system, including deployment of a new general ledger system and significant reductions in unreconciled cash items. However, the Department has not fully resolved ongoing accounting problems, and the Department needs to implement a process to ensure that data and accounting that support both FSA feeder system feeds to and from the general ledger and other OCFO systems are correct in all material aspects. Problems in this area have delayed data postings for several months, slowed critical reconciliation efforts, and is one issue that could influence a positive result for the FY 2002 audit. The Department has made significant strides in the area of default management and prevention, meeting its default collection targets for FY 2002 and implementing performance-based contracts with private collection agencies that have yielded increased collections for lower costs. However, Department management, the IG, and GAO all have identified system weaknesses in ED's school monitoring and student eligibility determination process. The Department has taken several important actions to address these issues, including acting on recommendations in GAO and IG reports, using data mining to help identify schools where problems may exist and making systemic changes to match direct loan origination data with the student eligibility system to ensure that borrower identifying information is accurate. On August 9, 2002, OMB and the Departments of Treasury and Education submitted a proposal for legislative change that if implemented has the potential of eliminating hundreds of millions of dollars of erroneous payments to students.

Appendix C: Findings From FY2002 Evaluations

1. State Title I Migrant Participation Information, 1998–99 School Year

States use Migrant Education Program (MEP) funds to ensure that migrant children are provided with appropriate services that address the special needs caused by the effects of continual educational disruption. MEP services are usually delivered by schools, districts, and/or other public or private organizations and can be instructional (reading, mathematics, other language arts, etc.) or supporting (social work, health, dental, etc.).

This report summarizes the participation information provided by state education agencies (SEAs) on the MEP for the 1998–1999 school year, the 15th year that SEAs were required to submit information using the State Performance Report.[1] The report is organized into two sections: (1) an overall descriptive summary of Title I MEP participation and staffing; and (2) individual state profiles.

Key findings included:

- Child Counts. In 1998–99, states reported 783,867 eligible students based on the 12-month count of eligible students, ranging from 220,860 in California to 176 in Rhode Island. States reported 311,914 summer term/intersession students, ranging from 121,788 in California to 39 in Hawaii. MEP participation – that is, students actually receiving program services, increased in both terms.
- Participation by Race/Ethnicity and Gender. The majority of migrant participants are Hispanic (86 percent) compared to 17 percent of the general enrollment in the nation's public schools. Eight percent are white (not Hispanic), and less than 3 percent each are black (not Hispanic), American Indian/Alaskan Native, and Asian/ Pacific Islander. The percentage distribution of migrant participants among race/ethnicity categories remained virtually unchanged between 1997–1998 and 1998–1999. The MEP serves slightly more males (53 percent) than females (47 percent). Nationally, the school-aged population is 51 percent male and 49 percent female.
- Migrant Participants Receiving Special Services or Programs. Forty states reported information on the number of migrant students receiving LEP services, and 37 reported on the number receiving preschool services. Within the reporting states, 30 percent of migrant students received LEP services and 9 percent preschool services.
- Participation by Grade. As noted above, regular term participation increased 9 percent from 1997–1998 to 1998–1999. Forty-four percent of regular term participants were served in the elementary grades (1 through 6), 30 percent in the secondary grades (7 through 12), and 20 percent in preschool. The remaining participants (6 percent) were classified as ungraded or received services in an out-of-school setting. The distribution among grade spans was about the same in 1997–98 and 1998–99.
- Participation by Service Area-Regular Term. In 1998–1999, in terms of instructional services, the largest percentage of participants received reading services (31 percent) followed by mathematics (22 percent), and English services for LEP students (15 percent).

[1] In 1998–1999, State Performance Reports were received from 50 states, the District of Columbia, and Puerto Rico. Hawaii implemented an MEP program during the 1998–1999 school year, but will not start serving participants until 1999–2000. The District of Columbia and Puerto Rico are treated as states for the purpose of this analysis.

Less than 10 percent of regular term participants received MEP-funded instruction in vocational/career, social studies, and science during the 1998–1999 school year. Thirty percent of participants received undefined "other instructional services." Information on the types of other services (instructional and supporting) provided to migrant students is provided in Appendix B. Over one-half of migrant participants received social work/outreach services, making it the most common service—instructional or supporting—provided to regular term participants. Eighteen percent of students received health-related services, and 10 percent received transportation services. Fifty-nine percent of participants received undefined "other support services" in 1998–1999—a figure that has more than doubled since 1995–1996.

- Participation by Service Area-Summer Term. In the summer term, 61 percent of participants received MEP-funded reading/language arts instruction; 42 percent received mathematics instruction, and 18 percent received English services for LEP students. In the supporting areas, the largest percentage of summer term participants (37 percent) received social work/outreach services, followed by pupil transportation services (23 percent) and health-related services (22 percent)
- Staffing. There was little change in the number of staff reported in both terms between 1997–1998 and 1998–1999. States funded a larger percentage of instructional staff (70 percent) in the summer term than in the regular term (54 percent). The ratio of participants to instructional staff was much higher in the regular term (136:1) than in the summer term (35:1).
- Projects and Project Sites. In 1998–1999, states operated 11,120 Title I MEP projects across the nation—a 9 percent decrease from the previous year. Of the total number of projects, 54 percent operated in the regular term only, 16 percent in the summer term/intersession only, and 30 percent in multi-terms. Thirty-eight percent of the schoolwide sites serving migrant participants blended migrant funds with regular Title I funding. More than 163,000 migrant participants (or 24 percent of all migrant participants) were enrolled in schoolwide programs that combined MEP funds with other forms of federal assistance.

2. The Same High Standards for Migrant Students: Holding Title I Schools Accountable

The three-volume study, *The Same High Standards for Migrant Students: Holding Title I Schools Accountable* examines how the federal Migrant Education Program (MEP) is helping migrant students succeed in school and meet academically challenging standards, and whether states and districts are including migrant students in standards-based reforms.

National Longitudinal Study of Schools (NLSS) collected data over three school years from 1998–1999 to 2000–2001. School-year 1998–1999 established a baseline of data on how these Title I schools were implementing the accountability provisions of Title I of the ESEA, as amended, related to high standards and assessments for all children. Data for Volume II were collected through interviews with migrant program directors and data and assessment records specialists at state and local levels during site visits between October 2000 and January 2001. Data for Volume III were collected through case studies of district migrant education programs, chosen on the basis of nominations from state directors.

The study found that principals and teachers in Title I schools serving migrant students have lower expectations about how well their students can perform than teachers in other Title I schools. Fewer seniors in Title I schools with migrant students have taken higher-level mathematics courses compared with seniors in other schools. Title I schools with migrant students have higher percentages of inexperienced teachers, teachers who are teaching in fields for which they are not certified, as well as teachers who hold emergency or temporary certification. Many of the Title I schools that served migrant students used different standards for their limited English proficient students. A significant percentage of migrant students did participate in state or district assessments in the 1997–1998 school year, but few of these schools received the results of the assessments disaggregated by migrant status. Some states and school districts are implementing promising practices to promote continuity of instructional services for migrant students to respond to the effects caused by changing schools on students' academic performance. Examples of other key findings include:

- Expectations about student performance were low in Title I schools serving migrant students. Some principals in Title I elementary schools with medium-to-high numbers of migrant students reported that standards were too hard for a significant portion of their students, and that a large percentage of these students were not prepared to do the work at the next grade level. This finding is similar to National Longitudinal Survey of Schools (NLSS) findings concerning differences between the highest-poverty and lower-poverty Title I elementary schools.

- Many of the Title I schools that served migrant students used different standards for their limited English proficient students. Many migrant students are also limited English proficient. Over half of the Title I schools with medium-to-high numbers of migrant students are classified as schools with 25 percent or more limited English proficient students. Contrary to the requirements of the Title I program, principals in Title I elementary schools reported that their schools used alternate state content standards and different student performance standards for limited English proficient students.

- States' knowledge of migrant student participation in assessments was weak. States reported that they did not have a way to estimate the percentage of migrant students participating in assessments because the number of students exempted from assessments is typically a local decision that is often not reported to the state. Based on national survey data, principals reported that 70 percent of migrant elementary students and 90 percent of migrant secondary students participated in assessments in the 1998–1999 school year. Mobility and language difficulties were the two leading barriers to migrant students' participation in statewide assessments.

- Few schools with migrant students received disaggregated achievement scores. The single greatest barrier to evaluating migrant student achievement data systems is the lack of capacity that most state and local data systems currently have to link individual migrant student records with state and district databases. Few states pursue data on graduation and dropout rates because of the investment of resources involved, and because they are not legislatively required to do so.

- Fewer students in Title I schools that serve migrant students were enrolled in higher-level courses. Fewer seniors in Title I schools with medium-to-high numbers of migrant students had taken higher-level mathematics courses compared with seniors in other Title I schools.

- Teachers in schools serving migrants were less experienced. Teachers in Title I elementary schools with medium-to-high numbers of migrant students had fewer years of teaching experience than teachers in other Title I elementary schools. These schools also reported that more teachers were teaching in fields for which they were not certified and held emergency or temporary certification. Many of these differences were similar to those between highest- and lower-poverty schools.
- Title I schools with migrant students tend to be much poorer, and have high proportions of students who are minorities and limited English proficient. Many of the differences between Title I schools with no or few migrant students and schools with medium-to-high numbers of migrant students parallel the differences between Title I schools that are relatively lower in poverty and those that are highest-poverty.
- A few states and school districts are committed to aligning local instruction between programs that share migrant students. In particular, these states and districts were committed to aligning with the students' home base schools for curricular content and course requirements. Some examples of alignment policies included the following: LEP students were placed in the same type of English acquisition program as their home base school; trading partners compared their individual languages assessments scores to place migrant students in the same types of course work; and trading partners agreed on common grade placement policies.
- Technology is enabling states and districts to access other states' and districts' content and performance standards. The use of technology provided solutions to the problems of accessing information and providing instruction to difficult-to-reach students. Technology was used to transfer information on students' academic records between trading partners, provide individualized instruction, and provide access to another state or district's assessments and standards.

3. State ESEA Title I Participation Information for 1999–2000: Summary Report

This report summarizes Title I information reported by states in their performance reports for school year 1999–2000, as well as comparisons to 1998–1999 and previous years. It includes information on both Part A (Grants to Local Educational Agencies Program) and Part D (the State Agency Program for Neglected or Delinquent Children and Youth). Among the areas reported on for Part A are: districts, schools, and students served, school improvement, services, and staffing. For the State Neglected or Delinquent (N or D) program, information is provided on participation by institution type and institution-wide programs. Key findings include:
Participation

- Almost 48,000 schools participated in the Title I program in 1999–2000. Of these, about half reported operating schoolwide programs, a substantial 18 percent increase over 1998–99. The remaining schools, numbering close to 25,000 reported operating targeted assistance programs.
- The number of Title I participants increased to 14,855,155 in 1999–2000, a 10 percent increase over the 1998–1999 level of 13,446,717. Participation rates by grade level stayed the same, with the largest concentration of public and nonpublic school participants in the elementary grades.

- Thirty-five percent of Title I participants were non-Hispanic whites, 27 percent were non-Hispanic blacks, 31 percent were Hispanic, 4 percent were Asian/Pacific Islanders, 2 percent were Native American, and 1 percent were other. There were no significant changes in these percentages since 1998–1999.
- In 1999–2000, students with disabilities represented 10 percent of participants; students with limited English proficiency represented 17 percent; children of migratory workers represented 2 percent; and homeless children represented 1 percent of participants. There were no significant changes in these percentages since 1998–1999.

School Improvement

- In the 1999–2000 school year, 8,505 schools (19 percent of the total) were identified for improvement, a slight decrease from the 20 percent identified in 1998–1999. Twenty-one percent of schoolwide program schools were identified (a decrease from the 27 percent identified in 1998–1999) and 16 percent of targeted assistance schools were identified, compared to 15 percent identified in 1998–1999.
- Seventy-six percent of Title I schools met state criteria for adequate yearly progress (AYP), an increase over the 74 percent reported by states in 1998–1999. The lowest poverty schools (0-34 percent free and reduced price lunch) had higher percentages meeting AYP criteria (83 percent), compared with the highest poverty (75-100 percent poverty) schools, which had 71 percent meeting AYP criteria.

Services

- Eighty-nine percent of the Title I students in targeted assistance schools received Title I-supported reading/language arts instruction, the same percentage as in 1998–1999. Fifty-four percent received Title I-supported mathematics instruction, an increase from 43 percent in 1998–1999.
- Forty-four states and the District of Columbia reported that 2,628 districts (22 percent of the total) provided Title I-supported family literacy services, an increase over the 15 percent reported in 1998–1999.
- Forty-seven states, the District of Columbia, and Puerto Rico reported that their Title I schools operated 15,865 Title I extended time instructional programs, a substantial increase of 59 percent since 1998–1999, but a number in line with the 15,736 extended time instructional programs reported in 1997–1998.

Staffing

- Teachers and teacher aides constituted 85 percent of the total staff funded by Title I. Close to half of Title I-supported staff (44 percent) were teachers, compared with 49 percent reported in 1998–1999. Teacher aides represented 40 percent of staff in 1999–2000, a small increase over the 37 percent reported for 1997–1998.
- Additional Title I-supported staff included: support staff (7 percent), administrators (3 percent) and other staff (6 percent).

State Neglected or Delinquent Program

- In 1999–2000, 10 percent of State Agency N or D participants were in facilities for neglected children, a decrease from the 30 percent reported in 1998–1999; 66 percent were in facilities for delinquent children, up from the 48 percent reported in 1998–99 and 24 percent were in adult correctional facilities, close to the 22 percent reported in 1998–1999.

4. Education for Homeless Children and Youth Program: Learning to Succeed

The *Education for Homeless Children and Youth Program: Learning to Succeed* is a two-volume report on two studies that were conducted by Policy Studies Associates (PSA) under contracts with the Planning and Evaluation Service of the U.S. Department of Education. Volume I, *Reducing Barriers for Homeless Children and Youth for Access and Achievement*, reports on state and local efforts to serve the educational needs of homeless children and youth and overcome barriers that affect these students' enrollment, attendance, and school success. Volume II, *Educating Homeless Children and Youth: A Resource Guide to Promising Practices*, describes promising strategies and practices that states, districts and schools can use to enroll homeless children and youth in school, and to help them to achieve the same high standards expected of all children.

The studies found that homeless students are best served when promising practices are implemented as part of a comprehensive and coordinated homeless education program. States have made the most progress in eliminating immunization requirements as barriers to enrollment, but transportation, guardianship, and frequent moves from school to school are still significant barriers to educating homeless students. Regardless of whether or not they are awarded federal funds under the McKinney-Vento Act, districts are finding ways to address at least some needs of their homeless children and youth. However, districts with McKinney subgrants were able to provide a broader range of educational and recreational services. Districts with no McKinney dollars relied on funds from Title I and community organizations to support their efforts. Key findings include:

Homeless children continued to face a number of major barriers to enrolling and succeeding in school. However, some states and school districts have come up with ways to overcome these barriers.

- Districts with McKinney subgrants were able to provide a broader range of educational and recreational services. Districts with no McKinney dollars relied on funds from Title I and community organizations to support their efforts. Most districts that did not have McKinney subgrants reported that they received no funds from outside sources to serve homeless students. This was particularly true in smaller or more rural districts where homelessness was not commonly recognized as a problem.
- Homeless students' frequent moves from school to school were their most significant barrier to academic success. Students who were unable to find stable shelter had difficulty meeting state or district mandates regarding the number of days they must attend school to stay enrolled. Some state coordinators indicated that the slow transfer of student records, along with differing course requirements from school to school, complicated the accrual of sufficient credits for homeless students to be promoted and receive a high school diploma. However, many districts have developed or revised policies to ensure that homeless students can enroll in school immediately. Some districts allow a grace period to track down records or obtain oral confirmation that a child had attended another school or been immunized.
- Transportation to and from school remained a major barrier to homeless children enrolling and remaining in school. States and districts often have limited resources to address

transportation needs, particularly across district lines. However, some States and school districts have found ways to meet the transportation needs of homeless children.

- Guardianship and immunization requirements were still significant barriers. Although important for safety and health, these requirements were often at variance with efforts to ensure that homeless children had access to school. However, some states have revised their laws, regulations, and policies to remove obstacles to the education of homeless children and youth.
- Lack of awareness and insensitivity to homeless students' needs among school staff was another barrier that could delay or prevent homeless children and youth from enrolling and succeeding in school. However, many states are combating this lack of awareness and sensitivity.
- Homeless students also had difficulty gaining access to special education, Head Start or other publicly funded preschool programs, gifted and talented programs, Even Start or other family literacy programs, and programs for students who are not proficient in English. In many cases, this is because educators are unfamiliar with the requirements of the law. However, some school districts went the extra mile to help homeless children gain access to these programs.
- State coordinators collaborated and coordinated their work most often with local education agencies, state government agencies, other offices within their state agency, and homeless shelters to maximize funding and services.
- Many districts with McKinney subgrants sent information to schools about how to recognize and meet the needs of homeless children and youth, and a few provided school staff with professional development and training.
- Most districts with McKinney subgrants had set up regular lines of communication between school officials and shelter providers, other service providers, and other educators to identify and place homeless children in school.

5. Study on School Violence and Prevention

The Study on School Violence and Prevention examined the extent of problem behavior in schools nationally and aspects of violence prevention programming, including activities supported by the Safe and Drug-Free Schools (SDFS) program, a formula grant program. SDFS supports school-based education to promote safe and orderly learning environments and prevent drug use and violence. There are three reports presenting findings from the study:

- *Wide Scope, Questionable Quality* reports findings from surveys of a national sample of elementary, middle, and high schools, including surveys of principals and activity providers, and, in the middle and high schools, of teachers and students, along with district SDFS program coordinators.
- *A Closer Look* presents case studies of 40 of the schools (20 middle schools and 20 high schools) that were surveyed.
- *School Crime Patterns* provides the results of a new analysis of data from a previous National Center for Education Statistics survey that asked principals about the number and

types of crimes they report to police. The new analysis focused on high schools to profile schools with high and low levels of reported crime.

Results from the Study on School Violence and Prevention indicate that, while schools nationally experienced relatively low levels of serious violent crime, some schools did experience serious violence and disorder, and in many schools high levels of less serious violent crime and property crime were common, particularly in middle schools. Although schools implemented prevention programs, the quality of those activities was found wanting. Key findings are:

Disorder in Schools

- The vast majority of schools visited have relatively low levels of serious crime (e.g., aggravated assault, weapons violations, robbery). While fighting did occur and the presence of weapons was not unheard of, the combination of the two was rarely seen in the same school. Theft was much more common than robbery (i.e., stealing by force or threat of force), and while teachers may have been verbally abused, they very rarely were attacked or threatened with a weapon.
- Fear of disorder did not seem to interfere with the learning process. Site visitors at roughly two-thirds of the schools described their schools as safe or very safe, with low or very low levels of disorder.

Discipline Practices and Policies

- There was considerable overlap in discipline procedures across schools. Rules were generally guided by the school district and involved varying levels of punishment as offenses became more serious. Very few rewards were structured into the procedures.
- Schools seemed to have few problems communicating rules to all students. However, there was some evidence that rules are inconsistently enforced across students (how common inconsistent enforcement was across minor and serious infractions was unclear). Many inconsistencies may stem from letting teachers handle many infractions within the classroom.

Disciplinary Information

- Schools varied in how they recorded and used incident data. Collection forms vary widely and information systems rarely include tracking of victims and offenders, although serious incidents are usually reported to the district and state.
- Few schools had specific procedures in place to review incident data, and very few seemed to follow guidelines recently recommended by a National Center for Education Statistics task force on collecting and compiling incident data. Neither the level of detail collected on particular incidents nor the unit of collection (incident, victim, and offender) seemed to be in place in most schools to support the unit-based collection system recommended.

School Climate

- School staff expressed more satisfaction if the principal set clear expectations, communicated regularly with staff, and gave them a voice in management issues.
- Schools had two basic approaches to rules and procedures. In one, teachers deal with all but the most serious discipline problems. In the second approach, teachers deal with small infractions and then refer students to an administrator for repeated or serious infractions.

Distinguishing Middle Schools with Different Levels of Disorder

- Low disorder schools were characterized by strong principals, school staff viewing themselves as working as a team, active involvement of teachers in maintaining order, and generally positive staff/student relationships. High disorder schools lacked a clear approach to discipline, did not convey expectations to students well, and demonstrated poor communication between teachers and administrators.

Key Findings of *School Crime Patterns*

- Violence (in terms of crimes reported by high schools to police) is clustered within a relatively small percentage of locations, with about 60 percent of the violence occurring in 4 percent of the schools. This is about four times higher than would be expected based on national rates of crime.
- The characteristics, such as size, location, and socio-economic make-up, of high-violence schools differ markedly from the other schools. High schools with the highest levels of violence tended to be located in urban areas and to have a high percentage of minority students, compared to high schools that reported no crime to police. They also tended to be located in areas with high levels of social disadvantage (such as unemployment) and residential mobility. However, a relatively large minority (36 percent) of schools with high levels of violent crime were located in rural areas.
- The types of violence prevention programs differed between high schools with different levels of crime. The schools with a high level of serious violence also reported high use of prevention measures and programs that were specifically aimed at controlling violence. Schools in this group also appeared to put more emphasis on programs geared toward changing individual behavior, compared to other schools, which tended to place a higher priority on prevention instruction.
- High schools that experienced high levels of violent crime were more likely than other schools to adopt a variety of security measures, particularly the random use of metal detectors, used by about one-third of these schools compared to 10 percent or less of other schools. Schools with high levels of violent crime were also more likely to use law enforcement and security personnel as a measure to control disorder than schools with lower levels of crime.

Key Findings of *Wide Scope, Questionable Quality*
Problem Behavior in Schools

- According to principals surveyed about the number of crimes they reported to police, 66 percent of schools experienced one or more incidents of less serious violent crime or property crime (e.g., theft) and 10 percent experienced at least one serious violent crime (e.g., fighting with a weapon). Compared with elementary and high schools, middle schools had higher levels of many types of problem behavior.
- About 18 percent of students surveyed in middle and high schools were threatened with a beating, and 13 percent were attacked without a weapon. About 11 percent of students experienced at least one incident of robbery or being threatened with a weapon. About 62 percent of teachers experienced one or more incidents of being threatened in remarks by a student, receiving obscene remarks or gestures from a student, damage to property, or theft

(40 percent received obscene remarks or gestures). Serious crime aimed at teachers was relatively rare: only 3 percent were attacked and received minor injuries, while fewer (1 percent) were confronted with weapons or attacked and received injuries requiring a doctor.

6. Summary: First Final Report of the Longitudinal Study of the Vocational Rehabilitation Services(VR) Program: *How Consumer Characteristics Affect Access to, Receipt of, and Outcomes of VR Services*

The *Longitudinal Study* has followed 8,500 VR consumers at 37 locations for at least three years for the purpose of identifying the types of individuals served, types of services provided, environments in which the services were provided and short-term and long-term economic and non-economic outcomes of the VR program

The study's sample acquisition and data collection activities began in January 1995 and were completed in January 2000, with sample acquisition occurring over a two-year period and each of the study's 8,500 participants tracked for three years.

1. Specific study questions that this report addresses are as follows:
2. What characteristics of individuals with disabilities affect their access to and receipt of VR services and outcomes of those services?
3. What are the characteristics of consumers who apply for services, including their
    - preservice earnings profiles;
    - functional abilities;
    - types and significance of disabilities;
    - interests and motivations;
    - demographic characteristics;
    - membership in special populations;
    - education; and
    - work history?
4. Of the consumers designated by VR agencies as having a significant disability, what are their characteristics?

To address these questions, the study compared the characteristics of groups of VR applicants, consumers, and former consumers. For the issue of access, it compared applicants who were accepted for VR services with those not accepted for services. To examine receipt of services, it compared the characteristics of persons accepted for services who entered VR services with those of persons accepted who decided to drop out of VR before initiating services under an Individualized Plan for Employment (IPE). Below are selected study findings from the first final report.

<u>Factors Associated With Access to VR Services</u>

Individuals were more likely to be accepted for VR services if:

- their disability was significant or most significant;
- their disability was congenital rather than acquired;

- their disability was classified as either mental retardation or hearing impairment;
- they had higher self-esteem;
- if working at application, they were working at a job in clerical or sales occupations;
- if not working at application, they were a student, unpaid family worker, or volunteer.

Individuals were less likely to be accepted for VR services if:

- their disability was a nonorthopedic physical impairment;
- they were working at application in supported or extended employment;
- they were working at application at a job in a field other than clerical or sales occupations.

Factors Associated with Obtaining an Employment Outcome

Persons who received VR services were more likely to achieve an employment outcome if:

- their disability was a vision impairment, hearing impairment, mental retardation, or orthopedic impairment, as opposed to another type of disability;
- they had higher gross motor function;
- they had greater self-esteem;
- they were working at application for VR services;
- their desire to obtain assistive technology devices or services was a motive for applying for VR services;
- they had more dependents than did other consumers.

Persons who received VR services were less likely to achieve an employment outcome if:

- they were receiving SSI or SSDI;
- they were receiving other forms of financial assistance;
- their desire to obtain postsecondary education was a motive for applying for VR services;
- their race/ethnicity was other than white.

Factors Associated with Achievement of a Competitive Employment Outcome versus a Non-Competitive Employment Outcome

Persons who received VR services were more likely to achieve a competitive employment outcome if:

- they had higher gross motor function;
- they had higher cognitive function;
- they were working at application for VR services;
- they had higher earnings at their most recent job prior to VR application;
- they had greater knowledge of different jobs;
- they had greater knowledge of the nonmonetary benefits of jobs.

Persons who received VR services were less likely to achieve a competitive employment outcome if:

- their disability was vision impairment, mental illness, or mental retardation;
- their disability was significant or most significant;

- they were receiving SSI or SSDI;
- they were older.

7. Summary: Second Final Report of the Longitudinal Study of the Vocational Rehabilitation (VR) Services Program: *VR Services and Outcomes*

The *Longitudinal Study* has followed 8,500 VR consumers at 37 locations for at least three years for the purpose of identifying the types of individuals served, types of services provided, environments in which the services were provided and short-term and long-term economic and non-economic outcomes of the VR program. The second final report examines the number and type of services provided to VR consumers, consumer involvement in the service planning process, the relationship between services and disability, the relationship between services and vocational goal, and service outcomes, both economic and noneconomic.

Specific study questions that this report addresses are as follows:

1. To what extent does receipt of specific VR services contribute to successful consumer outcomes?
2. What service inputs do state VR agency consumers receive, including:
    - the amount, type, duration, and dollar value of purchased services;
    - the amount, type, duration, and dollar value of comparable benefits;
    - the amount, type, duration, and dollar value of agency-provided consumer services; and
    - the amount of counselor time devoted to individual cases?
3. How long do most consumers retain their jobs, and are post-employment services utilized adequately to maximize consumers' job retention?
4. What short- and long-term economic and noneconomic outcomes do VR applicants and consumers achieve as a result of their participation in VR?
5. How do consumers perceive the quality and utility of the services they receive and the employment they ultimately obtain, as well as other outcomes (independence and community integration)?
6. What are the long-term outcomes after VR closure, including:
    - employment status at one, two, and three years following the consumer's exit from VR services;
    - the extent that earnings, adjusted for inflation, changed over time;
    - employment as it relates to employee benefits (e.g., health or life insurance, etc.) and opportunities for advancement; and
    - the extent that consumer independence and community integration are enhanced?

Below are selected study findings from the second final report.

Overview of VR Services

- Overall, consumers who received VR services averaged 12 services (median 9.0) during their participation in VR.
- The service most frequently delivered to consumers was medical/physical function evaluation, with 62 percent of consumers receiving this type of service. Other frequently

delivered services included cognitive/psychological assessment and services (35 percent of consumers), employment-development services (33 percent), postsecondary education (33 percent), and miscellaneous support services, such as transportation or maintenance (38 percent).

The VR Process

- VR counselors spent about 14 percent of their time on eligibility determination activities and an additional 14 percent on IPE development. Counseling/guidance took up 23 percent, and file management and documentation, about one-fourth of their available time.
- Consumers reported active involvement in decision making and control over the process, with 81 percent believing that they had sufficient choice in selection of vocational goal and 81 percent commenting that the counselor provided adequate information regarding available services and service providers. Half reported being in charge of decisions to a great extent, and an additional 41 percent to some extent.

VR Services and Primary Disability

- The most important factor that affected the specific services individuals received from VR was their primary disability, both in terms of the types of services persons received and in terms of the average number of services they received.
- Analysis of relationships between services and disability type reveals that service patterns do differ by disability type, thus supporting the hypothesis that the VR program individualizes services to meet consumers' needs and preferences.

Economic Outcomes of VR Services

- On all measures of economic outcomes, VR consumers who achieved a competitive employment outcome fared better than did those who achieved a noncompetitive employment outcome and persons who exited without an employment outcome. For example, at the third annual follow up, 78 percent of persons exiting into competitive employment were still working, compared with 70 percent of those exiting into noncompetitive employment, 37 percent of those who received services but exited VR without an employment outcome, and 40 percent of those who were eligible but dropped out before receiving VR services.
- In terms of earnings, by the end of the third year after exit, persons exiting into competitive employment were much less likely than other consumers to have earnings below the federal poverty level and much more likely to have earnings more than 200 percent of the poverty level:
- Controlling for consumer characteristics (e.g., disability type and significance, receipt of SSI/SSDI, etc.), RTI found that a number of services increased (or decreased) the likelihood that consumers would achieve competitive employment. Those that increased the likelihood of such employment were:
    1. job development, job placement, on-the-job training;
    2. business/vocational school, four-year college/university;
    3. tools/uniforms/equipment; and

4. IPE amendment.

An important part of services leading to these outcomes was a relationship between the consumer and counselor that the consumer believed was productive and helpful, with flexibility to amend the consumer's service plan as appropriate to facilitate achievement of the vocational goal. The quality of the consumer-counselor relationship also contributed to higher earnings, both at closure and at subsequent follow-up points.

Other Outcomes

- For up to three years following exit from VR services, persons who achieved competitive employment consistently reported less frequent use of a variety of services than did persons who exited into noncompetitive employment or those who exited VR without an employment outcome following services. Comparable figures for the first year after exit were 8 percent of those exiting into competitive employment, 25 percent for those with a noncompetitive job, and 18 percent for those exiting services without an employment outcome. By the end of year three, the percentages were 7, 24, and 16 percent, respectively.
- In terms of community integration, at study entry fewer persons who later exited into competitive employment reported that their disability restricted their ability to participate fully in social and community activities than did those exiting into noncompetitive employment or those exiting services without an employment outcome (32 percent versus 42 and 43 percent, respectively). Further, those exiting into competitive employment reported that these restrictions continued to decline (i.e., become less of a problem) over time; by the end of the third year, only 22 percent reported that their disability restricted their participation in social or community activities.

8. The National Assessment of Vocational Education—Interim Report to Congress

Nearly half of all high school students and about one-third of college students are involved in vocational programs as a major part of their studies. Perhaps as many as 40 million adults—one in four—engage in short-term, postsecondary occupational training. Given the magnitude of the vocational education enterprise, the ways in which students participate and the benefits they may receive can have significant consequences for the nation's workforce.

This report, the first in a series by the new National Assessment of Vocational Education (NAVE), provides information to help policymakers shape future improvements in this particular component of American education. Studies still underway will examine the effect of vocational education on student outcomes, the quality of implementation, and the role of accountability provisions and other aspects of federal policy; these results will be presented in a final report. Four key themes emerged.

A. Current education, labor market, and policy trends are likely to broaden Perkins reauthorization debates.

- High schools increasingly emphasize academic reform and college preparation. The poor performance of seniors on national and international tests, declining graduation rates, and high rates of college remediation have raised concerns about academic achievement at the high school level. Partly in response, nearly every state has set higher academic standards for high school graduation, and many have begun to include exit exams. The challenge many students, including those in vocational programs, face in meeting the new standards has raised questions about the role of high school courses lacking clear academic focus.

- Good jobs require at least some postsecondary education. Both high- and low-paying employment are available in the labor market, but a college credential of some kind is needed for the better-paying jobs. Employment growth in occupations requiring a vocational associate's degree is projected to be higher (30 percent) than overall employment growth (14 percent) through 2008 (Erard forthcoming). Thus, demand for postsecondary vocational education is likely to remain strong.
- For the past 20 years Perkins has represented a declining share of federal education budgets, but it is still the largest single source of Department funds spent on high schools. In fiscal year 1980, funding for vocational education represented about 6 percent of total ED appropriations; it is now less than 3 percent. Despite the relative declining share, Perkins III remains the largest single source of federal education funds used to support high schools. Comparing dollars spent at the high school level, vocational education appears to be of equal federal priority as other programs focused on raising academic achievement (Title I) and preparing students for college (TRIO).

B. Federal vocational policy attempts to achieve multiple goals and objectives.

Evolving priorities clearly have moved federal support for vocational education toward fulfilling a broader set of objectives than training students for work in factories and on farms after high school, the original aim of federal vocational legislation at the turn of the 20th century. For example, the stated purpose of the 1998 Perkins III is to enhance not only the vocational and technical skills of students who choose to participate in vocational education but also their academic skills. In addition, other sections of the legislation suggest that vocational education is expected to contribute to high school completion, entry into postsecondary education and training, postsecondary degree completion, and employment.

C. Secondary vocational education remains a large component of the high school curriculum, but the full effects of academic reform are not yet evident.

Although there has been little change in the amount of vocational course work taken by high school students over the past decade, vocational education's share of the overall high school curriculum has declined as students earned more academic credits.

- Vocational participation rates have been relatively stable during the last decade. Across most of the 1990s, almost 45 percent of all high school graduates earned three or more occupational credits, the equivalent of three, year-long courses. Most of these students (25 percent of all graduates) "concentrated" their courses in a single program area (e.g., health or business). Occupational "concentrators" are the closest proxy for vocational program completers.
- Many types of students continue to be involved in vocational education, including those in "special population" groups. For the most part, there has been little change in who participates in vocational education over the last decade. Vocational education serves a diverse set of students, with most coming from the middle range of academic and income advantage. Still, some groups continue to participate more substantially than others: students who enter high school with low academic achievement, have disabilities, are male, English-language proficient, or from lower-income or rural schools. Gender differences remain. Girls' vocational course taking has been declining while that of boys has remained

consistent. Despite these trends, differences in the rates of participation in computer technology courses, geared to a potentially high-paying field, virtually disappeared by 1998.

- Students who participate most in vocational education have increased their academic course taking, but important gaps remain between them and other students. By 1998 the gap in academic credits earned between occupational concentrators and other students had grown smaller (from 1.6 in 1982 to 1.1 credits in 1998). However, vocational students still take less rigorous academic courses than do other students: for example, substantially fewer concentrators (26 percent) than non-concentrators (42 percent) completed a college preparatory curriculum.
- Students take more vocational than math or science courses. Despite the emphasis placed on academic reforms over the last decade, high school students earn more credits in vocational education (4.0) than they do in math (3.4) or science (3.1).

These course-taking patterns may well change, as school reform continues and as rigorous state exit exams become more common. By 1998–1999, nearly 20 states were already phasing in these assessments, and 6 more were in the process.

D. Postsecondary vocational education serves a diverse set of students, many of whom will not complete the course work needed to fulfill their objectives.

About one-third of all students in undergraduate postsecondary education are considered to be in vocational programs. The Perkins Act defines vocational education as occupational programs requiring less than a baccalaureate degree (P.L. 105-332, Section 3(29)), some of which are offered at four-year postsecondary institutions. Not only do sub-baccalaureate students outnumber those in baccalaureate programs, but twice as many sub-baccalaureate students choose a vocational over an academic major.

These sub-baccalaureate vocational students vary in age and work experience, and they report enrolling for different reasons—to get an associate's degree or institutional certificate, to transfer and pursue a bachelor's degree, to enhance their job skills, or to engage in personal enrichment activities. However, like their academic counterparts, many vocational participants leave sub-baccalaureate institutions and programs having completed few courses. Just under half (47.5 percent) of the younger students—those less than 24 years old—in vocational programs complete eight or fewer months of postsecondary course work over a five-year time period. Nearly three-quarters (72.5 percent) of older vocational participants complete no more than eight months of course work. Eight months of full-time equivalent course work corresponds to what might be considered a year of postsecondary education and training.

GAO Reports

Student Financial Aid: Use of Middleware for Systems Integration Holds Promise GAO-02-7 November 30, 2001

Although the Department of Education spent millions of dollars to modernize and integrate its nonintegrated financial aid systems during the past 10 years, these efforts have met with limited success. Recently, Education's Office of Student Financial Assistance (SFA) began using a software approach known as middleware to provide users with a more complete and integrated view of information in its many databases. In selecting middleware, SFA has adopted a viable, industry-accepted means for integrating and utilizing its existing data on student loans and grants. To meet its human capital needs, SFA has solicited the help of a private sector "modernization partner" with experience in implementing and managing middleware solutions—particularly in the financial industry—and has also chosen to use a leading middleware software product.

Education Research: Education Should Improve Assessments of R&D Centers, Regional Labs, and Comprehensive Centers GAO-02-190 January 24, 2002

Research and Development (R&D) Centers, Regional Labs, and Comprehensive Centers support the Department of Education's research agenda to various degrees. Because statutes define different missions and activities for these programs, the amount and focus of the research and other research-based activities they support varies. Education shapes the priorities that guide the research done by the R&D Centers and targets the technical assistance provided by the Comprehensive Centers through requirements in agreements with these entities. However, Education has little control over the activities of the Regional Labs because, unlike most federal education programs, neither federal nor state governments have oversight responsibility for their programs. The R&D Centers, Regional Labs, and Comprehensive Centers reported collaborating and coordinating with each other and Education and cited various factors that have either facilitated or hindered such activities. They said that they were most likely to engage in these activities when they shared a common interest in a specific student population, such as English language learners, or in a specific topic, such as assessment. Current evaluation practices for assessing the R&D Centers, Regional Labs, and Comprehensive Centers have provided only limited information about the performance of these organizations and have not been useful for making future funding decisions.

School Dropouts: Education Could Play a Stronger Role in Identifying and Disseminating Promising Prevention Strategies GAO-02-240 February 1, 2002

The National Center for Education Statistics (NCES) reports that the national status dropout rate—the percentage of 16- through 24-year olds who are not enrolled in school and who lack a high school diploma or a high school equivalency certificate—fluctuated between 10.9 and 12.5 percent between 1990 and 2000. However, dropout rates have varied considerably between regions of the country and among ethnic groups. Research has shown that dropping out it is a long-term process of disengagement that begins in the earliest grades. NCES and private research organizations have identified two factors—an individual's family and his or her experience in school—that are related to dropping out. Various state, local, and private programs are available to assist youth at risk of dropping out of school. These programs range in scope from small-scale supplementary services that target a small group of students, such as mentoring or counseling services, to comprehensive school-wide restructuring efforts that involve changing the entire school to improve educational opportunities for all students. One federal program, the Dropout Prevention Demonstration Program, is specifically targeted to dropouts, but the program is new and the Department of Education has yet to evaluate its effectiveness. In September 2001, the program awarded grants to state and local education agencies working to reduce the number of school dropouts. Other federal programs have dropout prevention as one of their multiple objectives, and many more federal programs serve at-risk youth but do not have dropout prevention as a stated program goal.

Federal Student Loans: Flexible Agreements with Guaranty Agencies Warrant Careful Evaluation GAO-02-254 January 31, 2002

The relationship between the Department of Education and state-designated guaranty agencies that run the largest federal student loan program is changing in order to achieve program and cost efficiencies and improve delivery of student financial aid. These state or private not-for-profit agencies guarantee payment if students fail to repay loans obtained through the Federal Family Education Loan programs. The 1998 Amendments to the Higher Education Act authorize the Secretary of Education to enter into "voluntary flexible agreements" (VFA) with individual guaranty agencies. These agreements allow a guaranty agency to waive or modify some of the federal requirements that apply to other guaranty agencies. GAO found that the process for developing the agreements did not fully meet the needs of the guaranty agencies and other program participants. The process frustrated guaranty agency officials GAO talked to, especially those who ultimately chose not to apply for a VFA and those who were not granted a VFA. Agency officials said that Education's communication about the VFA development process was poor and that Education was unable to meet its own timetable. The VFAs generally complied with most of the legislative requirements. However, one of the four agreements does not conform to the requirement that projected federal program costs not increase due to the agreements. The key changes implemented under the VFAs include incentive pay structures for guaranty agencies and waivers of certain statutory and regulatory requirements. Each VFA contains provisions for paying the guaranty agency incentive amounts on the basis of specific performance measures, such as default rates. Education is not prepared to assess the effects of VFAs because it lacks a way to adequately measure changes in guaranty agency performance. The lack of uniform measures makes it difficult to distinguish the results of the VFAs from the effects of other factors, such as the general condition of the economy. Although the Department is required to report on the status of the VFA by September 2001, no reports have been issued so far.

Federal Student Aid: Additional Management Improvements Would Clarify Strategic Direction and Enhance Accountability GAO-02-255 April 30, 2002

The Department of Education's Office of Federal Student Aid (FSA) administers more than $53 billion in financial aid for more than 8.1 million students. Since 1990, GAO has included student financial aid on its high-risk list. To address these and other long-standing management weaknesses, Congress established FSA as a performance-based organization (PBO) within Education in 1998. To develop and implement a strategic direction, FSA set three strategic goals, created indicators to measure progress toward these goals, and developed a tool to link employees' day-to-day activities to these goals. The goals are to (1) increase customer satisfaction, (2) increase employee satisfaction, and (3) reduce unit cost. FSA's efforts have generally improved customer and employee satisfaction scores. FSA has begun to implement some human capital practices to better organize its services and manage its employees. But gaps exist, and FSA has not yet implemented performance management initiatives to develop and assess its employees. To better serve customers, FSA reorganized to reflect its different customers—students, schools, and financial partners. To encourage accountability, FSA is linking staff bonuses to FSA's strategic goals. Education continues to clarify FSA's level of independence and is now reviewing FSA's role and responsibilities as part of the department-wide management planning effort.

Head Start and Even Start: Greater Collaboration Needed on Measures of Adult Education and Literacy GAO-02-348 March 29, 2002

The Head Start and Even Start Family Literacy programs have sought to improve the educational and economic outcomes for millions of disadvantaged children and their families. Because the two programs seek similar outcomes for similar populations, GAO has pointed out that they need to work together to avoid inefficiencies in program administrative and service delivery. Questions have also arisen about the wisdom of having similar early childhood programs administered by different departments. Head Start's goal is to ensure that young children are ready for school, and program eligibility is tied to specific income guidelines. In contrast, Even Start's goal is to improve family literacy and the educational opportunities of both the parents and their young children. Even Start eligibility is tied to parents' educational attainment. Despite these differences, both programs are required to provide similar services. Both programs have some similar and some identical performance measures and outcome expectations for children, but not for parents. Head Start and Even Start grantees provided some similar services to young children and families, but how these programs served adults reflect the variations in the need of the parents. No recent, definitive information exists on the effectiveness of either program so it is difficult to determine which program uses the more effective model to improve educational outcomes for disadvantaged children and their parents. At the local level, differences in the needs of participants and the location of neighborhoods served by the two programs may mean some Head Start and Even Start grantees find only limited opportunities to work together. At the national level, the Departments of Health and Human Services and of Education have begun to coordinate their efforts, including the funding of state-level organizations to improve collaboration among groups serving poor children and their families.

Title I: Education Needs to Monitor States' Scoring of Assessments GAO-02-393 April 1, 2002

Concerned that Title I of the Elementary and Secondary Education Act (ESEA) had not significantly improving the educational achievements of children at risk, Congress mandated major changes in 1994. States were required to adopt or develop challenging curriculum content and performance standards, assessments aligned with content standards, and accountability systems to measure progress in raising student achievement. In return, states were given greater flexibility in the use of Title I and other federal funds. The No Child Left Behind Act of 2001 augments the assessment and accountability requirements that states must implement and increases the stakes for schools that fail to make adequate progress. The 1994 legislation required states to comply with the requirements by January 2001 but allowed the Department of Education to extend that deadline. Education has granted waivers to 30 states to give them more time to meet all requirements. If states fail to meet the extended timeliness, they are subject to the withholding of some Title I administrative funds. Title I directors indicated that a state's ability to meet the 1994 requirements improved when both state leaders and state agency staff made compliance a priority and coordinated with one another. Most directors said that inadequate funding hindered compliance. Many of the states reported taking action to ensure that Title I assessments were scored accurately, that any exemptions for students with limited English proficiency were justified, and students with disabilities were receiving appropriate testing accommodations. As of March 2002, 17 states had complied with the 1994 assessment requirements; 35 states had not.

Education Financial Management: Weak Internal Controls Led to Instances of Fraud and Other Improper Payments GAO-02-406 March 28, 2002

Because of internal control weaknesses, the Department of Education's student financial assistance programs are at high risk for fraud or erroneous payments. GAO discovered fraud in the grant and loan areas and pervasive control breakdowns and improper payments in other areas. Controls over grant and loan disbursements lacked a key edit check or follow-up process that would identify schools improperly disbursing Pell Grants. Significant internal control weaknesses over Education's third party drafts also increased the department's vulnerability. GAO found that individual Education employees could control the entire payment process for third party drafts. Education employees also circumvented a key computerized control designed to prevent duplicate payments. Education eliminated third party drafts in May 2001. Inconsistent and inadequate authorization and review processes for purchase cards, combined with a lack of monitoring, meant that improper purchases were unlikely to be detected. Inadequate control over these expenditures, combined with the inherent risk of fraud and abuse associated with purchase cards, led to fraudulent, improper, and questionable purchases totaling $686,000. Poor internal controls over computers acquired with purchase cards and third party drafts led to 241 missing personal computers and other equipment valued at $261,500. Although Education changed policies and procedures over disbursements to improve internal controls and program integrity, many of these changes have not been effectively implemented.

Information Management: Selected Agencies' Handling of Personal Information GAO-02-1058 September 30, 2002

To obtain government services, members of the public must often provide agencies with personal information, which includes both identifying information (such as name or Social Security number, which can be used to locate to identify someone) and nonidentifying information (such as age or gender). GAO was asked to review agencies' handling of the personal information they collect and whether this handling conforms to federal law, regulation, and agency guidance.

GAO reviewed the processes used in handling personal information collected from the public forms at four different agencies—Agriculture, Education, Labor, and State. These four agencies were chosen because their forms represent a range of characteristics, including the time needed to fill them out (the total paperwork burden hours) and the purpose of the information they collect. In reviewing these forms, GAO concentrated on four areas (information collection, privacy, security, and records management). Handling of personal information varied among the agencies studied. Overall, agencies collected a substantial amount of personal information of a wide variety of types, including personal identifying information (names and Social Security numbers) and demographic, financial, and legal data. Agency procedures for handling personal information collected were complex, involving numerous processes and a wide range of personnel with access to the information. The personal information collected was shared extensively with other federal agencies, other government entities (state, local, tribal and foreign), and private individuals and organizations through authorized procedures. The agencies generally complied with the key requirements and guidance pertaining to information collection, privacy, security, and records management. However, GAO identified isolated instances of forms that were not accurate or current; other forms did not contain the proper privacy notices.

There are 17 GAO recommendations that remain open.

Appendix D: Program Assessment Rating Tool (PART)

In 2002, the Office of Management and Budget (OMB), in collaboration with the U.S. Department of Education, conducted 18 reviews using OMB's newly developed Program Assessment Rating Tool (PART). The 18 reviews covered 17 grant programs and 1 administrative function. The PART is a series of questions designed to provide a consistent approach to evaluating and rating the effectiveness of federally funded programs. The goal of this process is to identify programs' strengths and weaknesses and to take action to improve overall program performance, and to provide information for budget justifications.

The PART is a diagnostic tool that assesses and evaluates programs across a range of issues related to program performance. Each PART is divided into four sections:

(1) Purpose/Relevance/Federal Role examines the clarity of program purpose and related program design and looks at all factors, including those the program may not directly control, such as legislation.

(2) Strategic Planning focuses on program planning, priority setting, and the allocation of resources and assesses whether the program has a number of goals that are ambitious, yet achievable, to ensure that planning is strategic and focused.

(3) Program Management focuses on a variety of elements related to whether the program is effectively managed to meet program goals and objectives and includes such as areas as financial oversight, evaluation of program improvements, performance data collection, and program manager accountability.

(4) Program Results considers whether a program is meeting its long term or annual goals and assesses how well the program is doing compared to similar programs and its effectiveness based on independent or external evaluations. Each of these sections includes a series of questions designed to elicit specific information for program evaluation.

OMB identified seven categories of programs across the Federal government: competitive grant programs; block and formula grant programs; regulatory based programs; capital assets and service acquisition programs; credit programs; direct federal programs; and research and development programs. There is a separate PART for each of the categories, though the majority of the questions are alike on all forms. Questions concerning program purpose, and strategic planning, and program results apply to all programs. Specialized questions are added to accommodate the differences in types of programs.

The PART holds programs to a high level of evidence and expectation. It is not sufficient for a program simply to comply with the letter of the law. Rather the program must show that it is achieving its purpose and that it is managed efficiently and effectively. The performance of federal programs should reflect the spirit of good government not merely compliance with statute. The PART requires a high standard of evidence to receive a "yes" answer to a question.

Although the PART uses the Government Performance and Results Act (GPRA) performance measures as a starting point, previously used measures may not meet the PART's high standards. The PART requires federal agencies to choose performance measures that meaningfully reflect the mission of the program, not merely ones for which there are data. Performance measures should reflect a sense of program priorities and, as a general rule, should reflect outcomes rather than outputs. To score high on the PART, programs may need to revise their indicators to reflect PART's focus on outcomes.

To ensure fairness in interpreting PART questions, OMB and Department representatives have partnered to create the Interagency Review Panel (IRP) to resolve issues of concern and ensure consistency in the use of the PART instrument.

The Department's intention is to improve the strategic planning process of its programs and we are using the PART process to begin revising long-term and annual performance measures for our programs. We are working to establish appropriate indicators and numeric targets that reflect high performance and to compile available data in support of these measures. Where appropriate, we are developing common measures for programs with similar desired outcomes.

The following Department of Education programs were reviewed under the PART process in FY 2002:

- Adult Education State Grants
- America's Career Resource Network
- Comprehensive School Reform
- Even Start
- Federal Pell Grants
- IDEA Grants for Infants and Families
- IDEA Grants to States
- IDEA Preschool Grants
- National Assessment (NAEP)
- National Center for Education Statistics (NCES)
- Safe and Drug Free Schools and State Grants
- Student Aid Administration
- Tech-prep Education State Grants
- Tribally Controlled Vocational & Technical Institutions
- TRIO Student Support Services
- TRIO Upward Bound
- Vocational Education State Grants
- Vocational Rehabilitation State Grants

Appendix E: The Department of Education's Information Quality Guidelines and Data Quality Standards

Soon after the inception of the Government Performance and Results Act (GPRA), the Department of Education identified data quality as a major challenge to our successful implementation of the Act. In the early 1990's the Department did not regularly have reliable information about its programs available to allow managers to make program decisions. As a result of our commitment to improve our data for GPRA reporting, the Department developed draft *Data Quality Standards* in 1998 to guide program managers in the collection and analysis of program data.

In 2002, in response in response to Section 515 of the Treasury and General Government Appropriations Act and OMB guidance on its provisions, the Department developed *Information Quality Guidelines* to guide program managers in preparing data for release to the public. Through the development of these standards and guidelines, employee training, and other mechanisms, the Department continues to make the improvement of data quality a top priority. The Department's *Strategic Plan* emphasizes the importance of information quality. Goal 4 of the six strategic goals is to "Transform Education into an Evidence-based Field." Under this goal, the Department seeks to ensure that research funded or published by the Department is of the highest quality and that that high-quality research—whether or not it is funded by the Department—is synthesized, publicized, and disseminated widely. The Department also relies on high quality information in the administration of its programs. For example, Objective 1.1 under the *Strategic Plan* requires the Department to link federal education funding to accountability for results. Consequently, programs that cannot demonstrate evidence of effectiveness will be candidates for reform or elimination. High quality information is required to demonstrate evidence of effective programs. To make sound decisions, the Department intends to accept and use only information that is accurate and reliable.

The Department's new *Information Quality Guidelines*, which apply to the release of information to the public, complement the draft *Data Quality Standards*, which apply to the collection and analysis of data. Both are presented below in abbreviated formats.

Information Quality Guidelines

The Department of Education's *Information Quality Guidelines* (*Guidelines*) reflect the Department's policy and procedures for reviewing and substantiating the quality of information it disseminates, (*e.g*., reports, studies, and summaries), as well as provide an administrative mechanism allowing affected persons to seek and obtain, where appropriate, correction of information that does not comply with the *Guidelines*. The Department's *Guidelines*, along with those issued by OMB, represent a performance goal for the Department and will improve data management within the Department.

Our *Guidelines* require that Department staff treat information quality as integral to the creation, collection, maintenance, and dissemination of information, and review products before they are disseminated to ensure that they are consistent with these *Guidelines*.

Consistent with guidance from OMB, we consider three factors in the assessment of information quality for any piece of information that is to be disseminated. These factors are utility, objectivity, and integrity. These elements are intended to ensure that information the Department disseminates is useful, accurate, reliable, unbiased, and secure.

The Department disseminates various kinds of information. All information that the Department disseminates must be reviewed for utility, objectivity, and integrity, but the specific application of these factors is targeted to the specific needs and appropriateness for various types of publications. We have identified four most common types of information products:

- General Information
- Research and Evaluation Information
- Administrative and Program Data, and
- Statistical Data

While the guidelines for integrity are the same across all four types, guidelines for utility and objectivity have been established for each of these four types of products. Exhibit 1 on the following page shows a sample of the information quality standards for statistical data (other than NCES data, which have separate published standards).

The *Guidelines* also provide that the level of quality assurance for information must be tied to its level of importance. *Influential information,* that is information that will or does have a clear and substantial impact on public policies or private sector decisions, must meet a higher level of quality. *Influential information* must be reproducible according to commonly accepted scientific, financial, or statistical standards for that type of data. It must be accompanied by supporting documentation that allows an external user to reproduce it, taking into account any ethical and confidentiality restraints. In the case of analytic results, the mathematical and statistical processes used to produce the report must be explained in sufficient detail to allow an independent analyst to substantially reproduce the findings using original data and identical methods. In situations where the public cannot access the data due to compelling interests such confidentiality protections, the Department will apply especially rigorous robustness checks and document these checks.

The *Guidelines* also detail a method for any person to request the correction of information the Department disseminates that does not comply with Department and OMB information quality guidelines.

A complete copy of the Department's Information Quality Guidelines is available at http://www.ed.gov/offices/OCIO/info_quality/.

Exhibit 1

Information Quality Guidelines

Sample Checklist Items for Statistical Data

Utility

Is the information grammatically correct and clearly written in plain English?

Is the audience identified?

Will the information help ensure equal access to education and promote educational excellence throughout the nation?

Does the information fill needs that are identified through internal review, legislative mandates or input from users outside the Department?

Objectivity

Statement of Purpose

Where does the product clearly describe the goals of the study?

Where does the report provide the reason the information is provided, its potential uses, and cautions as to inappropriate extractions or conclusions?

Research Based

Where is the description of the data collection process with survey instruments that were properly developed and tested?

Where is the description of how the response rates were monitored during data collection to ensure the respondents are representative of the population?

Where does the product show findings and data collection properly documented with an evaluation of the quality of the data including its known limitations (e.g., missing values, amount of non-response)?

Sources

Where is the reliability of the data source(s) addressed?

Where does the report include the identification of other possible sources of potentially corroborating or conflicting information?

Burden Reduction

Where does the report describe every effort made to minimize the amount of time required for responses?

Reproducibility

Where is a description of the analytical work in sufficient detail to ensure that the findings could be reproduced using the same data and methods of analysis?

Review and Release

Was all work conducted and released in a timely manner?

What are the procedures to correct any identified errors?

Integrity

Have we safeguarded personally identifiable information?

Have we ensured protection from unauthorized disclosure, alteration, loss, or destruction?

Draft Data Quality Standards

In 1998, the Department set out to develop data quality standards for program data collections. In close consultation with the Office of Inspector General, the National Center for Education Statistics, and several program offices, staff reviewed existing standards for data quality and modified them to address recurring data issues in Departmental reporting. Many data quality concepts, such as validity of measures, accuracy of definitions, and reporting for use are integral to the more general process of developing high-quality performance measures.

The draft Data Quality Standards (see Exhibit 2) include eight standards for judging program data and related operations. An important decision was made to write the standards in clear, nontechnical language. For example, Standard #5 is "Calculation: The math is right." This feature differentiated the Education standards from typical documents on statistical standards. For example, the National Center for Education Statistics (NCES) publishes its comprehensive set of standards in a lengthy document that is more suited for statisticians than typical program managers. NCES' standards can be viewed at http://nces.ed.gov/statprog/2002/stdtoc.asp

To facilitate the use of the standards, a data quality checklist was created. This checklist provides three to ten questions for each standard to assist program staff who are unfamiliar with data issues to evaluate the extent to which their data meets the standards. For example, under the Calculation standard, there is the question: "Are missing data procedures applied correctly?" For those who might not understand the question and the importance of accounting for missing data, the checklist has a section that explains each question and offers examples of meeting and not meeting the criterion.

Classes teaching staff how to apply the Standards are popular and have been held regularly; and some programs have adopted and modified the Standards to use with their data providers.

Exhibit 2

Data Quality Standards

Sample Checklist Items

1. *Validity: Data adequately represent performance.*
   Have the objective, performance indicator and data been scrutinized to be sure that they all describe the phenomena of interest?
2. *Accurate Definitions: Definitions are correct.*
   Have clear, written definitions of key terms (including inclusions/exclusions) been communicated to data providers?
3. *Accurate Counts: Counts are correct.*
   Are counts accurate; e.g., is double counting avoided?
4. *Editing: Data are clean.*
   Have you discussed large changes or unusual findings with the primary data providers to see if they might be due to editing errors?
5. *Calculation: The math is right.*
   Have the + or – confidence intervals been reported for sample data?
6. *Timeliness: Data are recent.*
   Do data meet decision-making needs?
7. *Reporting: Full disclosure is made.*
   Are data-quality problems at each level reported to the next level?
8. *Burden Reduction: Data collected are used.*
   Are all data that are collected actually used?