

Written Testimony of John P. Higgins, Jr.
Inspector General, U.S. Department of Education
“Mismanagement and Conflicts of Interest in the Reading First Program”
April 20, 2007

Mr. Chairman and Members of the Committee:

Thank you for the opportunity to testify on the work of my office.

Reading First is a \$1 billion per year program that was established to provide kindergarten through third grade reading programs based on scientifically based reading research. The goal of the program is to ensure that every student can read at grade level or above by the end of the third grade.

In May 2005, my office began receiving allegations about Reading First. The allegations indicated that the Department was promoting and excluding specific programs and assessments, as well as using consultants with ties to these programs and assessments. As a result, we decided to perform a series of six reviews. My comments today will focus on the work we performed at the Department.

To put our work in context, it is important to understand that the Department of Education’s Organization Act prohibits Department officials from exercising any control over the curriculum of a school. In addition, the No Child Left Behind Act includes a similar prohibition.

Through our work, we found that the Department:

- 1) appeared to inappropriately influence the use of certain programs and assessments;
- 2) failed to comply with statutory requirements and its own guidance;
- 3) obscured the requirements of the statute; and
- 4) created an environment that allowed real and perceived conflicts of interest.

First, with regard to inappropriate influence, we found that the Department allowed certain activities that led, in part, to a perception that there was an approved list of reading programs and assessments. Let me highlight for you some of the activities that led to this perception:

The Department and the National Institute for Literacy sponsored three Reading Leadership Academies. These Academies were designed to assist the states in preparing Reading First applications. The Department exercised control over the content and presenters for the Academies. Of 10 “Theory to Practice” presentations, 6 contained information on the Direct Instruction program. The luncheon speaker for two of the Academies also focused on Direct Instruction. Some Academy participants expressed concerns about the content of the sessions. One commenter indicated, “I felt like I was in a Direct Instruction sales pitch all day.”

The Reading First statute requires the use of reading assessments. Each participant at the Reading Leadership Academies was provided with a Handbook that included an article featuring

one reading assessment called DIBELS. Later, the Department published a Guidebook, which also contained the article featuring DIBELS. While other assessment instruments were listed in the Handbook and Guidebook, only DIBELS was featured in an article in both books. Not surprisingly, 43 states indicated that they would use DIBELS as one of their assessments.

In addition, we found that the Department inappropriately arranged to have a report on assessments publicized. The National Institute for Literacy contracted with the University of Oregon to perform a review of assessments. Out of the hundreds of assessments available for review, the University reviewed 29 and found 24 of them to be acceptable; 7 of the 24 were tied directly to people working on the review. The National Institute for Literacy decided not to issue the final report because it might appear as if it were endorsing specific products. However, the Department, without coordinating with the National Institute for Literacy, directed the author of the report, who worked at the University of Oregon, to post it on the University's website.

We also identified instances where Department officials intervened with regard to reading programs and assessments being selected by states. In some instances, Department officials and their representatives worked to influence states to select a specific program or assessment – these instances of intervention concerned Direct Instruction and DIBELS. In other instances, Department officials worked to influence states to not select specific programs – these instances of intervention included programs such as Rigby, Reading Recovery, and Wright Group. However, the Department never documented its assertions that these programs were not aligned with scientifically based reading research.

Second, we found that the Department did not comply with the Reading First statute or its own guidance. Again, let me highlight for you the information that led us to this conclusion:

The Reading First statute called for a balanced panel to review applications. The Department and three other organizations were to each select at least three experts for the panel. Senior Department officials decided to use sub-panels for the review process and to create an “Advisory and Oversight Panel” with three representatives from each of the organizations required by the statute. However, the Advisory and Oversight Panel concept was never implemented. As a result, the process used by the Department was not in accordance with the requirements of the statute, since none of the sub-panels created by the Department included representation from each of the required organizations.

We also identified evidence that the Reading First Director personally nominated 3 individuals for the sub-panels who had professional connections to Direct Instruction – these 3 individuals reviewed 23 state applications. In choosing individuals to serve on the sub-panels, the Reading First Director showed a strong bias for those he knew supported Direct Instruction and a strong bias against those who favored Reading Recovery.

We also found problems with how the Department communicated the panelists' comments. Although the panelists adequately documented their reasons for stating that an application was not ready for funding, this documentation was not provided to the states, as called for by the Department's guidance. Instead, the Department created a new document in which it changed

panelists' comments, left off comments, and added comments of its own. This new document was the only document that was provided to the states.

Third, we found that the Department obscured the requirements of the statute by inappropriately including and excluding standards in the application criteria. Emails from the Reading First Director indicated that this was done in order to help the states understand what he wanted Reading First classrooms to look like.

Finally, the Department did not place an appropriate level of emphasis on the issue of conflict of interest. This can be seen in two specific areas:

First, the screening process the Department created for the sub-panels that reviewed applications was not effective. The Department did not ask panelists about their impartiality. In addition, the Department did not review the panelists' resumes for potential conflicts of interest.

Second, the Department's contractor, RMC Research Corporation, did not adequately address conflict of interest issues. The Department used RMC to provide technical assistance to states and to assist the states in preparing applications. However, RMC did not ensure that organizational conflict of interest clauses were included in its agreements with consultants. In addition, neither the Department nor RMC adequately vetted technical assistance consultants for potential bias. As a result, we noted connections between individuals and organizations that presented the appearance of bias and impaired objectivity.

In conclusion, our work showed that the Department did not comply with the Reading First statute regarding the composition of the application review panel and criteria for acceptable programs. Further, the Department's actions created an appearance that it may have violated statutory provisions that prohibit it from influencing the curriculum of schools. However, because Department officials often justified their bias against particular programs by saying the programs were not aligned with scientifically based reading research, I cannot say with certainty that these statutes were violated since we did not assess whether particular programs were based on scientifically based reading research.

Based on our work, we made a number of recommendations to the Department, which it accepted. We also suggest that Congress consider clarifying whether reading programs need to have scientific evidence of effectiveness in order to be eligible for funding under Reading First and clarifying conflict of interest requirements in federally funded programs.

This concludes my statement. I would be happy to answer any questions.