

U. S. Department of Education

The seal of the U.S. Department of Education is a circular emblem. It features a central figure of a woman, likely representing Education, holding a book and a torch. The figure is surrounded by a wreath. The outer ring of the seal contains the text "DEPARTMENT OF EDUCATION" at the top and "UNITED STATES OF AMERICA" at the bottom, separated by two stars.

*Fiscal Year 2006
Performance and
Accountability Report*

U.S. Department of Education
Margaret Spellings
Secretary

Office of the Chief Financial Officer
Lawrence Warder
Chief Financial Officer

November 15, 2006

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**About the Department of Education's
*Fiscal Year 2006 Performance and Accountability Report***

The Department of Education's publicly available *Fiscal Year 2006 Performance and Accountability Report (PAR)* will be available on the Department's Web site at <http://www.ed.gov/about/reports/annual2006report/index.html>. This print version, provided in limited distribution, contains the exact content provided in the online version.

Additionally, a color print highlights document containing a CD of the entire *PAR* will be available in January 2007.

To request a copy of our *Highlights Report* in print,
with CD of the full *Performance and Accountability Report*,
contact edpubs@inet.ed.gov.

To provide comments and suggestions on both the content and
presentation of the report,
contact PARcomments@ed.gov.

It is my pleasure to present to you our *Fiscal Year 2006 Performance and Accountability Report*—a report card of the U.S. Department of Education’s efforts and the resulting outcomes during the past fiscal year.

This year, there is a new look and feel to our *Performance and Accountability Report*. The new approach reflects our efforts to streamline the report, be more transparent, and communicate our goals, objectives and outcomes in plain language for our readers. The report provides program performance results and financial information so that all Americans can assess how we are meeting our goals and objectives. This report also emphasizes our achievements and challenges in meeting the President's and America's vision that no child will be left behind.



It has been almost five years since President Bush and the Congress led our nation in a historic commitment to a quality education for every child—regardless of race, income, or special need. We now have the data to see what’s working in our schools and where we need to reconsider. Now, we must build on the successful foundation of *No Child Left Behind*. This past year, we have focused attention on accountability in our high schools, with the goal of ensuring that a high school diploma becomes a record of achievement, not just attendance.

We are heading in the right direction thanks to *No Child Left Behind*. However, we need to continue to focus on grade-level proficiency in math and reading, to increase rigor in math and science, to improve American competitiveness by increasing accountability in high schools, and to continue to ensure equal access to higher education through our student financial aid and postsecondary education programs.

Although our performance data are fundamentally complete and reliable, we continue to work to improve timeliness and accuracy as discussed in the Management’s Discussion and Analysis section of this report. We have partnered with state educational agencies, colleges and universities, and financial institutions to streamline our reporting systems and to create common definitions for performance data.

Along with performance data, the report presents financial data about the Department’s operations. I am pleased to announce that for the fifth year in a row, the Department has earned a “clean” opinion from independent auditors on our financial statements. The report also includes the information and assurances about the Department’s financial management systems and management controls required by the *Federal Managers’ Financial Integrity Act*. The Department’s financial management systems and management controls, taken as a whole, provide reasonable assurance that the objectives of the act are being met, except for two material weaknesses identified by management. The two material weaknesses identified are related to Information Security and Program Management Controls. For further discussion, please see the Management’s Assurances section of Management’s Discussion and Analysis on pages 23-25 of this report.

We are a nation where education touches everyone. There is not one person in America who is not affected by the success of our educational systems. The Department of Education is committed to meeting the highest standards of accountability as we carry out our mission.

/s/

Margaret Spellings
November 15, 2006



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