

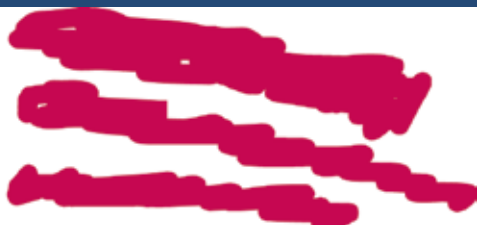


U.S. Department of Education



Citizens' Report: The FY 2008 Summary of Performance and Financial Results

NoChild
LeftBehind



U.S. Department of Education
Office of the Chief Financial Officer
Thomas Skelly
Delegated to Perform Functions of
Chief Financial Officer

The Department of Education's mission is *to promote student achievement and preparation for global competitiveness by fostering educational excellence and ensuring equal access.*

January 15, 2009

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***About the U.S. Department of Education's Citizens' Report:
The FY 2008 Summary of Performance and Financial Results***

The Department of Education's publicly available *Citizens' Report* is available on the Department's Web site at <http://www.ed.gov/about/reports/annual/index.html?src=ln>. A print version of the document, provided in limited distribution, contains the exact content provided in the online version.

To request a copy of the *Citizens' Report* in print,
contact <http://www.edpubs.org/webstore/Content/search.asp>

To provide comments and suggestions on both the content and
presentation of the report,
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Our Mission and History

The U.S. Department of Education's (the Department) mission is *to promote student achievement and preparation for global competitiveness by fostering educational excellence and ensuring equal access*. Adopted in May 2007, it retains the Department's historic role of "providing equal access to a high-quality education," and emphasizes the need for America's students to succeed in a highly competitive global economy. America has a great range of educational environments to meet the diverse needs of its students: public schools, public charter schools, specialized schools and nonpublic schools. This report discusses how the Department supports these initiatives and activities. The federal government recognized that furthering education is a national priority in 1867, when its initial role in education encompassed statistical data collection and reporting. For a summary of education legislation since that time, go to: http://nces.ed.gov/pubs2008/2008022_4.pdf.

Who We Are: Our Organization and Workforce

Department of Education Profile

The Department has the smallest workforce of any cabinet-level agency, with an approximate workforce for fiscal year (FY) 2008 of 4,400. The Department is committed to recruiting and retaining a workforce that is skilled, diverse and committed to excellence. In addition to management offices, the Department is organized into nine principal grant and loan making offices. The Department's full organizational structure can be found at <http://www.ed.gov/about/offices/or/index.html?src=ln>.



Federal Student Aid. Federal Student Aid administers need-based financial assistance programs for students pursuing postsecondary education and makes available federal grants, direct loans, guaranteed loans, and work-study funding to eligible undergraduate and graduate students. See more detail at: <http://www.ed.gov/about/offices/list/fsa/index.html?src=oc>.

Office of Elementary and Secondary Education. The Office of Elementary and Secondary Education provides leadership, technical assistance, and financial support to state and local educational agencies for the maintenance and improvement of preschool, elementary, and secondary education. Financial assistance programs support services for children in high-poverty schools, institutions for neglected and delinquent children, homeless children, certain Native American children, children of migrant families, and children who live on or whose parents work on federal property. Funding is also provided to increase the academic achievement of students by ensuring that all teachers are highly qualified to teach. See more detail at: <http://www.ed.gov/about/offices/list/oese/index.html?src=oc>.

Office of Special Education and Rehabilitative Services. The Office of Special Education and Rehabilitative Services supports state and local programs that assist in educating children, youth, and adults with special needs to increase their level of employment, productivity, independence, and integration into the community. Funding is also provided for research to improve the quality of their lives. See more detail at: <http://www.ed.gov/about/offices/list/osers/index.html?src=oc>.

Office of Safe and Drug-Free Schools. The Office of Safe and Drug-Free Schools supports efforts to create safe and violence-free schools, respond to crises, prevent drug and alcohol abuse, ensure the health and well-being of students, and teach students good citizenship and character. Grants emphasize coordinated, collaborative responses to develop and maintain safe, disciplined, and drug-free learning environments. See more detail at: <http://www.ed.gov/about/offices/list/osdfs/index.html?src=oc>.

Office of Innovation and Improvement. The Office of Innovation and Improvement makes strategic investments in educational practices through grants to states, schools, and community and nonprofit organizations. The office leads the movement for greater parental options such as charter schools. The office also supports special grants designed to raise student achievement by improving teachers' knowledge and understanding of and appreciation for traditional U.S. history. See more detail at: <http://www.ed.gov/about/offices/list/oii/index.html?src=oc>.

Institute of Education Sciences. Established by the *Education Sciences Reform Act of 2002*, the Institute of Education Sciences is the research arm of the Department of Education. Its mission is to expand knowledge and provide information on the condition of education, practices that improve academic achievement, and the effectiveness of federal and other education programs. Its goal is the transformation of education into an evidence-based field in which decision makers routinely seek out the best available research and data before adopting programs or practices that will affect significant numbers of students. See more detail at: <http://www.ed.gov/about/offices/list/ies/index.html?src=oc>.

Office of English Language Acquisition. The Office of English Language Acquisition directs programs designed to enable students with limited English proficiency to become proficient in English and meet state academic content and student achievement standards. Enhanced instructional opportunities are provided to children and youths of Native American, Alaska Native, Native Hawaiian, Pacific Islander, and immigrant backgrounds who are limited English proficient. Grants pay the federal share of the cost of model programs for the establishment, improvement, or expansion of foreign language study in elementary and secondary schools. See more detail at: <http://www.ed.gov/about/offices/list/oela/index.html?src=oc>.

Office of Vocational and Adult Education. The Office of Vocational and Adult Education provides leadership, technical assistance, and funding for adult education and career and technical education to state and local agencies to help students improve their literacy skills and prepare them for postsecondary education and careers. The office ensures the equal access of minorities, women, individuals with disabilities, and disadvantaged persons to career and technical education and adult education and ensures that career and technical education students are held to the same challenging academic content and academic achievement standards established by the state under the *No Child Left Behind Act of 2001*. Funding is also provided to promote identification and dissemination of effective practices in raising student achievement in high schools, community colleges and adult education programs. See more detail at: <http://www.ed.gov/about/offices/list/ovae/index.html?src=oc>.

Office of Postsecondary Education. The Office of Postsecondary Education provides grants to colleges and universities to promote reform, innovation, and improvement in postsecondary education, increase access to and completion of postsecondary education by disadvantaged students, strengthen the capacity of colleges and universities that serve a high percentage of minority and disadvantaged students, and improve teacher and student development resources. The international programs promote international education and foreign language studies and research. The office administers the accrediting agency recognition process and coordinates activities with states that affect institutional participation in federal financial assistance programs. See more detail at: <http://www.ed.gov/about/offices/list/ope/index.html?src=oc>.

Who We Serve: Our Public Benefit

Every American has a stake in the nation's educational success. The Department's primary customers are students, teachers, parents, state and local educational agencies, school administrators and postsecondary institutions. With the *No Child Left Behind Act of 2001 (No Child Left Behind)*, the federal government strengthened its commitment to elementary and secondary students. Higher education assistance provides access to postsecondary education for a significant number of the nation's undergraduates.

Elementary and Secondary Students.

According to the Department's report, *The Condition of Education 2008*, in the 2008–09 school year public school enrollment is expected to approach 50 million students. Total public school enrollment is projected to set new records each year from 2008 to 2017, at which time it is expected to reach 54.1 million. See more on Departmental services to students at <http://www.ed.gov/students/landing.jhtml>.



Teachers. According to National Center for Education Statistics projections, there are more than 3.2 million teachers in U.S. public elementary and secondary schools in the 2008–09 school year. *No Child Left Behind* requires that all teachers be highly qualified in the core academic subjects they teach. See more details at <http://www.ed.gov/teachers/landing.jhtml>.



Parents. *No Child Left Behind* has made schools more accountable to parents and provided parents with information and options for their children's education. If a school in need of improvement does not show progress for several years, parents of students in that school can transfer their children to another school in the district or request supplemental educational services. See more details at <http://www.ed.gov/parents/landing.jhtml>.

State and Local Educational Agencies and Administrators. The Department works with state educational agencies to provide local educational agencies with the tools they need. See more details at: <http://www.ed.gov/about/contacts/state/index.html?src=gu>. Principals, superintendents and other administrators are at the center of school reform and accountability efforts. See more details at <http://www.ed.gov/admins/landing.jhtml>.

Postsecondary Students and Institutions. More students are acquiring degrees in colleges. To assist students otherwise unable to afford postsecondary education, the Department provides assistance through programs such as the Federal Pell Grant Program, the Federal Family Education Loan (FFEL) Program, the Federal Direct Loan Program, the Federal Perkins Loan Program and the Federal Work-Study Program, authorized under Title IV of the *Higher Education Act of 1965*. See more details at <http://www.ed.gov/finaid/landing.jhtml?src=rt>.

Continuous Improvement: The Department Reports on a New Strategic Plan

In FY 2008, the Department reported on its new strategic plan for the first time. The U.S. Department of Education's *Strategic Plan for Fiscal Years 2007–12* sets high expectations for America's schools, students and for the Department. It streamlines Department goals and measures while stressing continuity with its previous strategic plan. The new strategic plan continues to report on key indicators of academic achievement and adds new measures of performance that focus on high school improvement and human capital. To read the full U.S. Department of Education's Strategic Plan for Fiscal Years 2007-12, please go to <http://www.ed.gov/about/reports/strat/plan2007-12/2007-plan.pdf>.

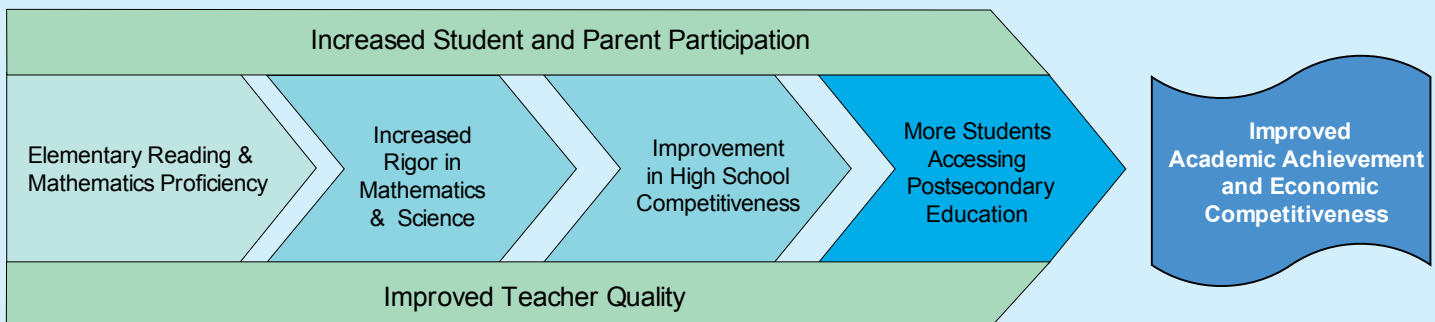
Goal 1: Improve student achievement and teacher quality and renew troubled schools so that every student can read and do math at grade level by 2014, as called for by *No Child Left Behind*.

Goal 2: Encourage more rigorous and advanced coursework to improve the academic performance of middle and high school students.

Goal 3: Work with colleges and universities to improve access, affordability and accountability, to prepare students and adults for employment and future learning.

Cross-Goal Strategy on Management: Strengthen strategic management controls, including human capital, and link funding to results.

Continuous National Improvement Through Education



President's Management Agenda Scorecard Results for the Department of Education

During FY 2008 the Department received a *Green* status in Financial Performance for the fifth consecutive year. The Department maintained *Green* on progress for six out of eight target initiatives by making sufficient progress on its quarterly scorecard deliverables. Significantly, the current status of Improved Credit Management was upgraded from *Red* to *Yellow* based on improved communications between the Department and the Office of Management and Budget (OMB) regarding various issues affecting the loan programs. To compare the Department's scorecard to those of other federal agencies, go to www.whitehouse.gov/results/agenda/scorecard.html.

President's Management Agenda FY 2008 Scorecard					
		Q4-2008		Q4-2007	
Target Area		Status	Progress	Status	Progress
Government-wide Initiatives	Financial Performance	G	G	G	G
	Commercial Services Management	Y↓	G	G	G
	Human Capital	Y	G	Y	G
	e-Government	Y	Y	Y	Y
	Performance Improvement	G	G	G	G
Program Initiatives	Faith-Based and Community Initiatives	G	G	G	G
	Eliminating Improper Payments	Y	Y↓	Y	G
	Improved Credit Management (New Initiative in FY 2006)	Y↑	G	R	G

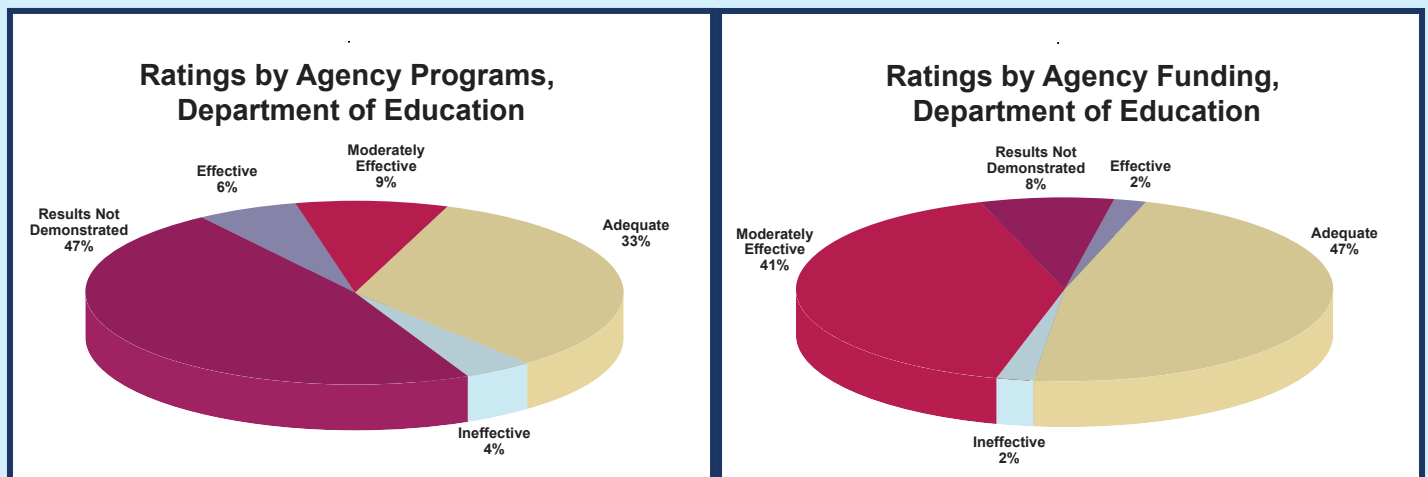
G = Green Y = Yellow R = Red

Linking Taxpayer Dollars to Performance Results

The Department's emphasis on sound financial practices, performance results and program accountability reflects a strong desire to use taxpayers' dollars as effectively as possible. The Department strives to tie the performance of its programs with budget requests and to strengthen the link between financial investments and program quality. To further the goal of aligning program performance with budget requests, the Department combines its annual performance plan and annual budget to create an annual performance budget. The Department has identified specific key measures that reflect the Department's four major strategic goals that were identified in its new strategic plan. For more detail on the annual performance budget, see <http://www.ed.gov/about/reports/annual/2009plan/fy09perfplan.pdf>.

Challenges Linking the Program Performance to Funding Expenditures. Linking performance results, expenditures, and budget for Department programs is complicated because more than 98 percent of the Department's funding is disbursed through grants and loans in which only a portion of a given fiscal year's appropriation is available to state, school, organization, or student recipients during the fiscal year in which the funds are appropriated. The remainder is available at or near the end of the appropriation year or in a subsequent year. Funds for competitive grant programs are generally available when appropriations are passed by Congress.

The Program Assessment Rating Tool. Since FY 2002, OMB has required federal agencies to assess the quality of government programs using the Program Assessment Rating Tool (PART). OMB uses this assessment across federal agencies to gauge the effectiveness of funded programs, ensure that programs meet statutory requirements and demonstrate accountability for the taxpayers' investments in federal programs. The Department uses PART assessments to inform priorities for budget requests to Congress. The PART helps the Department ensure that resources are targeted toward those programs and activities most likely to demonstrate the greatest public benefit. Programs accounting for about 98 percent of the Department's budget authority have now been assessed using the PART. To access PART evaluations of Department programs to date, go to: <http://www.whitehouse.gov/omb/expectmore/agency/018.html>.



Notes: Percentages of ratings by agency programs may not total 100 percent due to rounding. Total includes PART ratings for programs not currently funded.

Our Accomplishments for FY 2008

Protecting Student Access and Affordability in Higher Education

During FY 2008, the Department of Education implemented a new statutory loan purchase authority to ensure that credit market disruptions did not cause eligible students and their parents to lose access to FFEL loans for the 2008-2009 academic year. The Department also revised agreements with FFEL guaranty agencies under the existing Lender of Last Resort (LLR) authority to provide further assurance that loans would be available for all eligible borrowers.

Emergency Loan Purchase Authority. In FY 2008, Congress enacted the *Ensuring Continued Access to Student Loans Act of 2008* (ECASLA) that authorizes the Department to buy loans from FFEL lenders when the Department determines that there is not sufficient loan capital to meet the demand for loans. In FY 2008, the Department directly purchased over 20,000 loans valued at approximately \$59 million. In FY 2008, the Department purchased more than \$5 billion in participation interests in FFEL loans. For additional information, please see <http://federalstudentaid.ed.gov/ffelp/>.



Lender of Last Resort and the Teacher Education Assistance for College and Higher Education (TEACH) Grant Program. The *Higher Education Act of 1965*, as amended, requires guaranty agencies to make loans as a lender of last resort to those students who are unable to obtain FFEL loans from conventional FFEL lending sources. Guaranty agencies may arrange for a conventional FFEL lender to make Lender of Last Resort loans or may make loans directly with their own resources. Authorized by the *College Cost Reduction and Access Act of 2007*, the TEACH Grant Program offers grants of up to \$4,000 to students agreeing to teach mathematics, science or other specialized subjects in a high-poverty school for at least 4 years within 8 years of their graduation. In FY 2008, the Department disbursed approximately 800 grants exceeding \$1.4 million under TEACH.

Information Resources for Students and Parents. The Department and the Federal Trade Commission have jointly released a consumer guide to help students and their families navigate the maze of offers they may face when seeking new student loans or consolidating existing student loans to pay for higher education. *Student Loans: Avoiding Deceptive Offers* provides advice to help consumers detect deceptive marketing offers from private companies seeking their student loan business. See more details at <http://ombudsman.ed.gov/CRE43-studentloans3.pdf>. Improving college access, affordability and accountability are key to giving more Americans a chance at higher education and keeping America economically competitive. The *FAFSA4caster* calculates a student's eligibility for federal student aid, reduces the time it takes to complete the Free Application for Federal Student Aid (FAFSA) and simplifies the financial aid process for students and families. For more details, see <http://federalstudentaid.ed.gov>.

The Reauthorization of the *Higher Education Act*

A college education continues to be the best path to the strengthening the future of the nation. The *Higher Education Opportunity Act*, the latest renewal of the *Higher Education Act of 1965*, continues the effort to make college more affordable and expands college access. The legislation encourages colleges to rein in price increases, improves integrity and accountability in student loan programs, simplifies the federal student aid application process, expands college access and support for low-income and minority students and increases college aid for veterans and military families.

Indicators To Track the Nation’s Educational Progress

No Child Left Behind is providing parents, educators and the public with historic levels of data about how schools in the United States are performing. The five leading education indicators—achievement in reading and mathematics, the achievement gap, high school graduation, college readiness and college completion—complement *No Child Left Behind* by providing a snapshot of national trends. The five indicators were averaged, with equal weighting, to produce a single summary (composite) indicator. **For more information and technical notes on how the indicators are calculated, go to <http://www.ed.gov/nclb/accountability/results/trends/index.html>.**

Education Indicator	2000	2007
Achievement: What percentage of 4th- and 8th-graders are proficient or above in reading and mathematics?	25%	33%
Achievement Gap: What percentage of black and Hispanic 4th-and 8th-graders are proficient or above in reading and mathematics as compared to the same cohort of white students?	23%	35%
High School Graduation: What is the percentage of public high school students who earn a regular diploma in four years?	72%	74%
College Readiness: Of the high school students who take a college entrance exam, what percentage are ready for a college course?	42%	42%
College Completion: What percentage of our young labor force (25-34 years old) have at least a bachelor’s degree?	29%	31%
Composite	38%	43%

Strengthening No Child Left Behind

This year, the Department developed new regulations to strengthen and clarify *No Child Left Behind*. The regulations focus on improved accountability and transparency, uniform and disaggregated graduation rates and improved parental notification for supplemental educational services and public school choice. These new regulations outline the criteria that states must meet to incorporate individual student progress into their definitions of adequate yearly progress.

The uniform definition of graduation rate identifies that the Department has established a uniform method for calculating high school graduation rates that identifies how many incoming freshmen in a high school graduate within four years with a regular high school diploma. All states must now use the same formula that follows a cohort of first-time ninth grade students and calculates how many of those students graduate with a regular high school diploma within four years.

The Department’s new regulations for Title I of the *Elementary and Secondary Education Act of 1965*, as amended by *No Child Left Behind*, build on the advancements of state assessments and accountability systems, as well as strengthening the public school choice and supplemental educational services provisions of *No Child Left Behind*. The new regulations require states to provide statistically reliable information and report state National Assessment of Educational Progress reading and mathematics results on their state report cards. See more details at <http://www.ed.gov/policy/elsec/reg/title1/index.html>.

Progress in Reading, Mathematics and Science Achievement

Every day, schools in the U.S. work to make progress toward the goal of having all students perform on grade level or better in reading and mathematics by 2014. Achievement of this goal depends on a continued commitment to high standards, annual assessments, accountability for results, a highly qualified teacher in every classroom and information and options for parents. See more details at <http://www.ed.gov/nclb/accountability/results/progress/nation.html>.

States Report Gains in Reading Achievement. The Reading First Program builds on a solid foundation of scientifically based research and provides struggling students in the highest-need schools with the resources to make progress in reading achievement. Reading First is designed to help at-risk students in grades K-3, while Early Reading First helps preschool age children. Actual student achievement data reported by states on their annual performance reports show that Reading First students from nearly every grade and subgroup have made impressive gains in reading proficiency. For detailed Reading First state-by-state data, please visit www.ed.gov/programs/readingfirst/performance.html and <http://www.ed.gov/programs/readingfirst/state-data/achievement-data.pdf>. For the Reading First Impact Study, please visit <http://ies.ed.gov/ncee/pubs/20094038.asp>.

Improved Proficiency in Mathematics and Science.

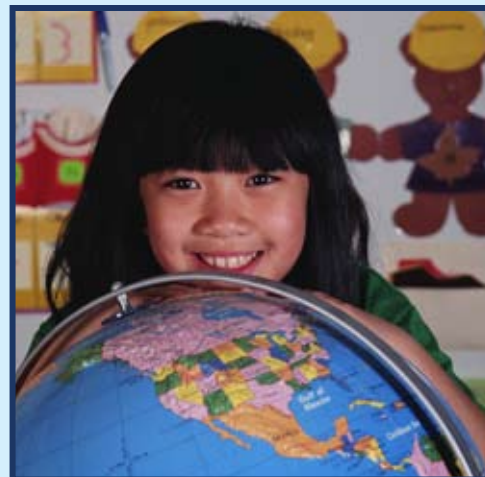
Student achievement in mathematics and science continues to show gains since the implementation of *No Child Left Behind*. The latest results from the National Science Foundation's Math and Science Partnership Program show improved proficiency among all elementary and middle school students who participated in the program. See more detail at http://www.nsf.gov/news/news_summ.jsp?cntn_id=111514.

The 2007 National Assessment of Educational Progress scores for mathematics showed that there was improvement across the board in mathematics performance for white, African-American, Hispanic and Asian and Pacific Islander students. See more details at <http://nces.ed.gov/pubsearch/pubsinfo.asp?pubid=2007494>.



Global Competitiveness—A Vital National Interest

Foreign Languages Critical for National Security. With the expanding global economy and national security needs, it is crucial that large numbers of Americans be able to communicate in languages such as Arabic, Chinese, Russian, Korean, Hindi and Farsi. To help increase the number of Americans learning foreign languages critical to national security and commerce, the National Security Language Initiative is intended to address the shortage of critical foreign language speakers by supporting new and expanded programs in grades K-12. See more details at <http://www.ed.gov/about/inits/ed/competitiveness/nsli/index.html>.



How We Validate Our Data

Complete, accurate and reliable data are essential for effective decision-making. Given the requirements of *No Child Left Behind*, accuracy of state and local educational agency performance data is even more crucial, because funding decisions are made and management actions are taken on the basis of this performance information.

The Department is committed to improving the completeness, accuracy and reliability of data for *No Child Left Behind* reporting, integrated performance-based budgeting and general program management. In addition to completeness, accuracy and reliability, the Department has improved the timeliness of data reporting to the public by several months. Data time lags have been cut from up to 24 months for some performance data in FY 2006 to an average of 8.5 months in FY 2008. The implementation of *EDFacts*, an initiative designed to collect and use K–12 state performance data, will help to reduce the reporting burden on state and local educational agencies, resulting in further improvement in the timeliness of data submitted to the Department.

Performance Data

The Department is collaborating with state educational agencies and industry partners to provide a centralized tool for collection of, access to and use of timely and accurate performance data in support of *No Child Left Behind* and to minimize burden on state educational agencies. The Department is working with internal and external partners to help state educational agencies implement, by 2009, high-quality longitudinal data systems that include a state data audit system assessing data quality, validity and reliability.

External Quality

In 2008, the Department solicited applications for awards to fund the development or improvement of statewide longitudinal data systems, which are already under way in 27 states. In school year 2008–2009, state educational agencies are required to fully report educational data through the Department’s *EDFacts* collection system.

The goal of the National Forum on Education Statistics, sponsored by the Department’s National Center for Education Statistics, is to improve the quality, comparability and usefulness of elementary and secondary education data while remaining sensitive to data burden concerns. See more details at http://nces.ed.gov/forum/data_quality.asp.

Internal Validity

Verification and validation of performance data support the accuracy and reliability of performance information, reduce the risks of inaccurate performance data and provide a sufficient level of confidence to Congress and the public that performance data are credible. OMB Circular A-11, Part 6, section 230.5, *Assessing the completeness and reliability of performance data*, requires each agency to design a procedure for verifying and validating data that it makes public in its annual performance plans and reports. In response, the Department has developed a protocol to guide principal offices responsible for reporting data in performance measures to address issues of data integrity and credibility. The protocol provides a framework for validating and verifying the Department’s performance data. For the full protocol, go to <http://www.ed.gov/about/reports/annual/data-verification.doc>.

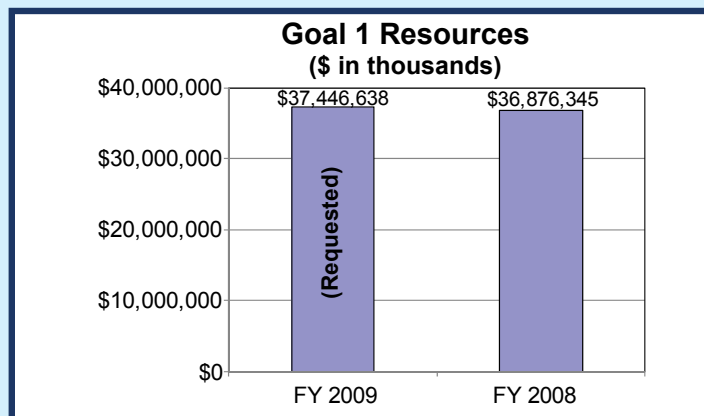
Overview of Performance Results

The key strategic measures provided in this report represent those measures that provide an overall assessment of the Department's progress in achieving improvements in the educational system, based on the *Strategic Plan for Fiscal Years 2007–12*. There are 81 key performance measures that support the Department's mission and strategic goals. Most data for FY 2008 will be available during FY 2009. For the most recent data available, FY 2007, the Department met or exceeded targets for 28 key measures, showed improvement for 23, did not meet 12, and is awaiting data for 9 measures. For 5 measures, baselines were established. The remaining 4 have no targets or data.

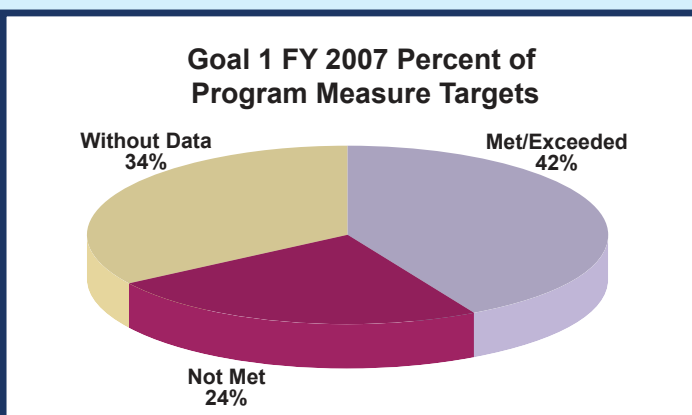
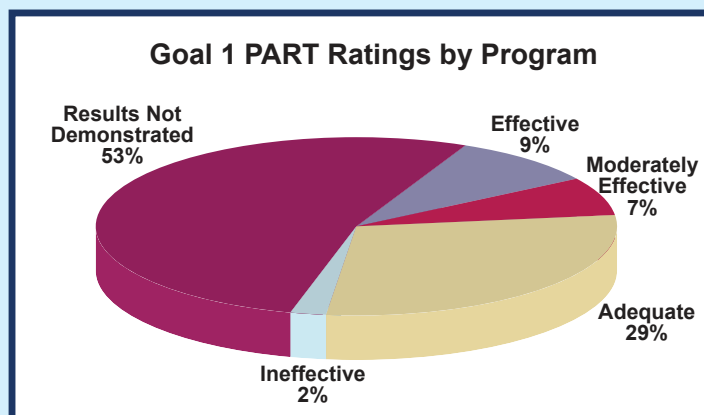
On the following pages, tables for each goal highlight the Department's strategic objectives and select key performance measures and show whether the result met or exceeded, did not meet but improved over the prior years or failed to meet the expected target. The shaded areas indicate that a measure was not in place or no data were available during this time period. In some cases, establishing a baseline is the target and the target is recognized as met if the data are available and the baseline has been established. For measures for which data are not currently available, the date the data are expected has been indicated.

Performance Results for FY 2008 Key Measures

Strategic Goal 1—Improve student achievement, with a focus on bringing all students to grade level in reading and mathematics by 2014



Improving student proficiency and closing the achievement gap are the cornerstones of the Department's work. Performance objectives for Goal 1 focus on improving student achievement in reading and mathematics, improving teacher quality, promoting safe, disciplined and drug-free learning environments, increasing information and options for parents, increasing the high school completion rate, and transforming education into an evidence-based field. The selected measures below are representative of the 37 key performance measures identified for Goal 1.

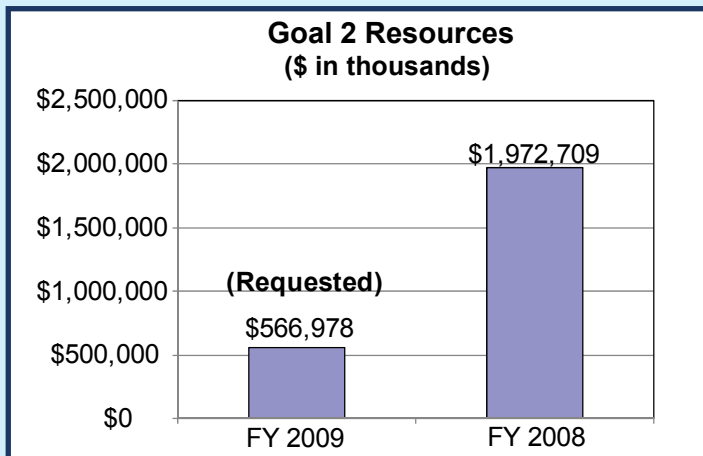


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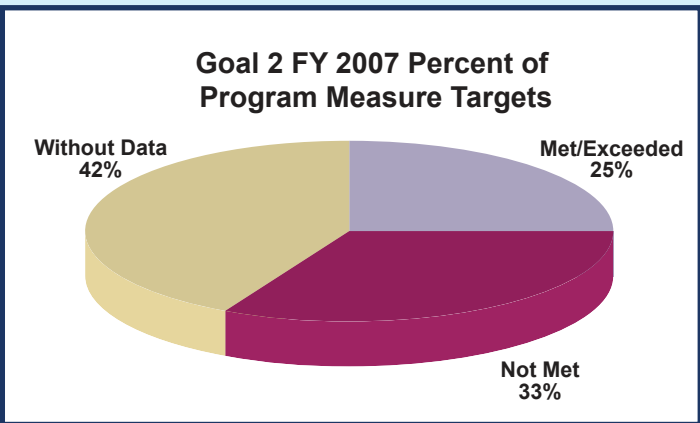
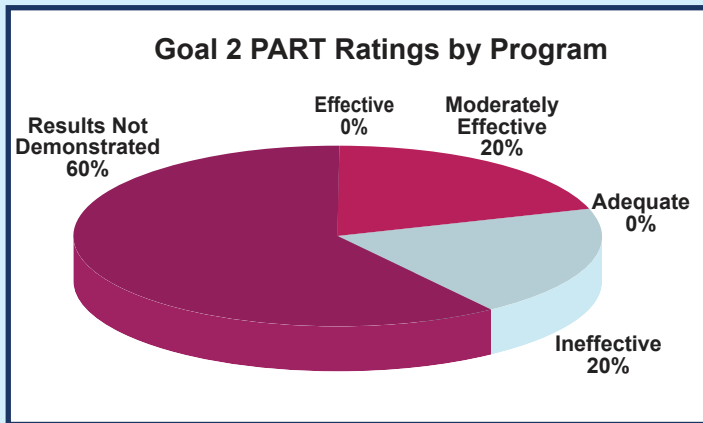
√ = Met or exceeded target X = Target not met + = Target not met but improved over prior years
NA = No Measure for period * = Baseline established

Goal 1 Performance Results Summary	FY 2008	FY 2007	FY 2006
1.1. Improve student achievement in reading			
Percentage of low-income students who achieve proficiency on state reading assessments	Sept. 2009	+	*
Percentage of students with disabilities who achieve proficiency on state reading assessments	Sept. 2009	+	*
Percentage of limited English proficient students who achieve proficiency on state reading assessments	Sept. 2009	X	*
1.2. Improve student achievement in mathematics			
Percentage of low-income students who achieve proficiency on state math assessments	Sept. 2009	+	*
Percentage of students with disabilities who achieve proficiency on state math assessments	Sept. 2009	+	*
Percentage of limited English proficient students who achieve proficiency on state math assessments	Sept. 2009	+	*
1.3. Improve teacher quality			
Percentage of core elementary classes in high-poverty schools taught by highly qualified teachers	Sept. 2009	+	*
Percentage of total core secondary classes taught by highly qualified teachers	Sept. 2009	+	+
Percentage of core secondary classes in high-poverty schools taught by highly qualified teachers	Sept. 2009	+	*
1.4. Promote safe, disciplined and drug-free learning environments			
Percentage of students in grades 9 through 12 who were offered, given, or sold an illegal drug by someone on school property in the past year	NA	√	NA
1.5. Increase information and options for parents			
Percentage of eligible students exercising choice	Dec. 2008	*	NA
1.6. Increase high school completion rate			
Percentage of total 18–24-year-olds who have completed high school	Jul. 2010	Jul. 2009	√
1.7. Transform education into an evidence-based field			
Number of Department-supported reading or writing programs and practices with evidence of efficacy using What Works Clearinghouse standards	√	√	*
Number of Department-supported mathematics or science programs and practices with evidence of efficacy using What Works Clearinghouse standards	√	√	*

Strategic Goal 2—Increase the academic achievement of all high school students



To better equip the nation’s students to compete in the global economy, the Department encourages states to adopt high school course work and programs of study that prepare all students for a postsecondary credential and facilitate a seamless transition from high school to college or the workforce. Strategic objectives for Goal 2 focus on increasing the proportion of high school students taking a rigorous curriculum, promoting advanced proficiency in mathematics and science, and increasing proficiency in critical foreign languages. The selected key measures below are representative of the eleven key performance measures identified for Goal 2.

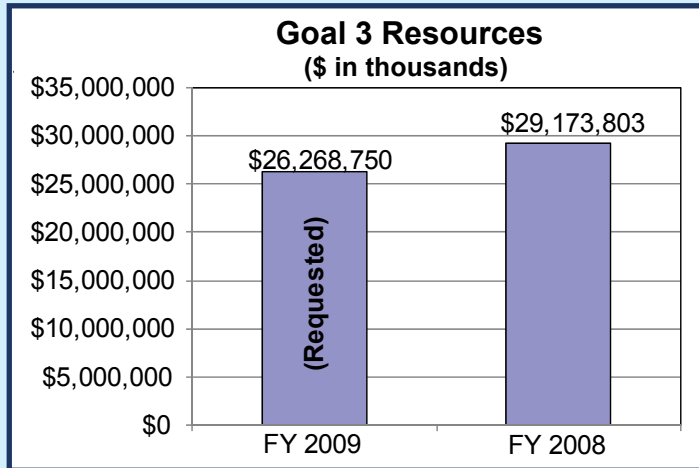


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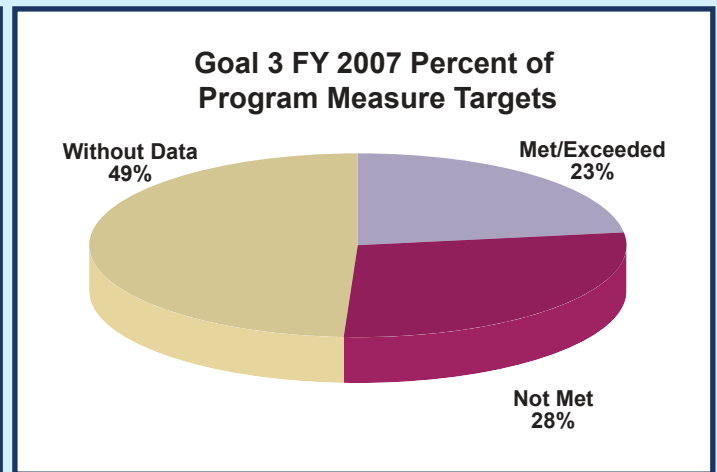
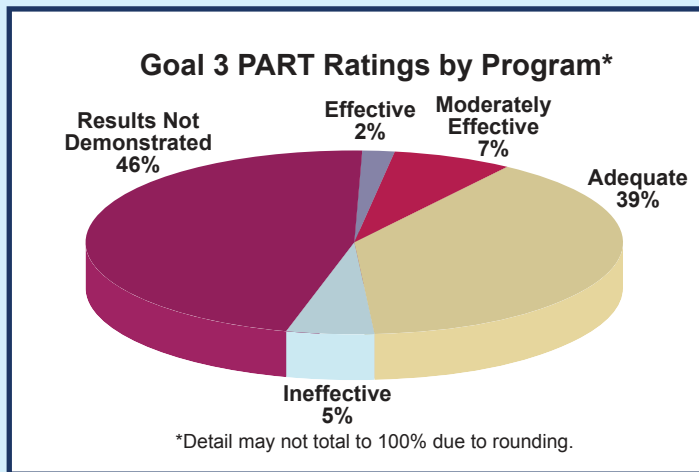
√ = Met or exceeded target NA = No Measure for period * = Baseline established

Goal 2 Performance Results Summary	FY 2008	FY 2007	FY 2006
2.1. Increase the proportion of high school students taking a rigorous curriculum			
The number of Advanced Placement tests taken by all public school students	Jan. 2009	√	NA
The number of Advanced Placement tests taken by low-income public school students	Jan. 2009	√	√
The number of Advanced Placement tests taken by minority (black, Hispanic, Native American) public school students	Jan. 2009	√	√
2.2. Promote advanced proficiency in mathematics and science for all students			
The number of Advanced Placement tests in mathematics and science taken nationwide by low-income public school students	Jan. 2009	√	*
The number of Advanced Placement tests in mathematics and science taken nationwide by minority (black, Hispanic, Native American) public school students	Jan. 2009	√	*
2.3. Increase proficiency in critical foreign languages			
Combined total number of Advanced Placement and International Baccalaureate tests in critical foreign languages passed by public school students	Jan. 2009	*	NA

Strategic Goal 3—Ensure the accessibility, affordability and accountability of higher education and better prepare students and adults for employment and future learning



To remain competitive in a dynamic global economy, higher education must continue to be innovative, use technology effectively, measure student outcomes, and conduct rigorous performance evaluations. Strategic objectives for Goal 3 focus on increasing success in and completion of quality postsecondary education, delivering student financial aid effectively and efficiently, and preparing adult learners and individuals with disabilities for higher education and employment. The selected key measures below are representative of the 20 key performance measures identified for Goal 3.

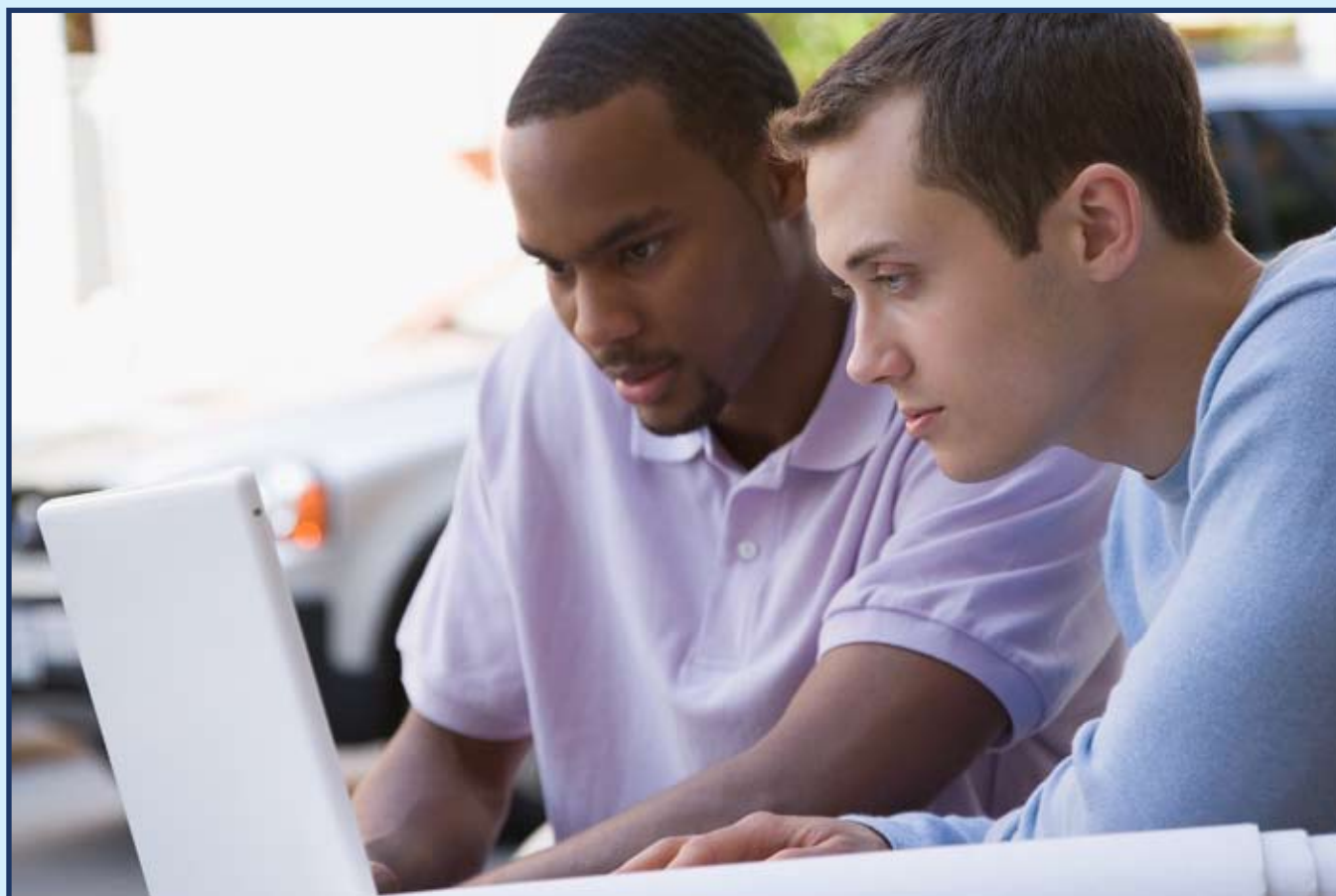


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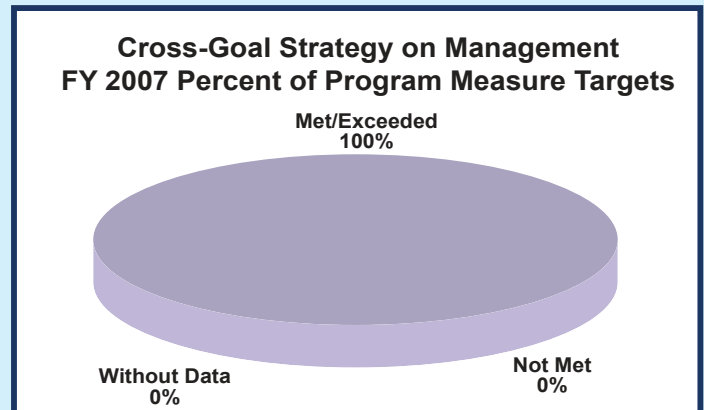
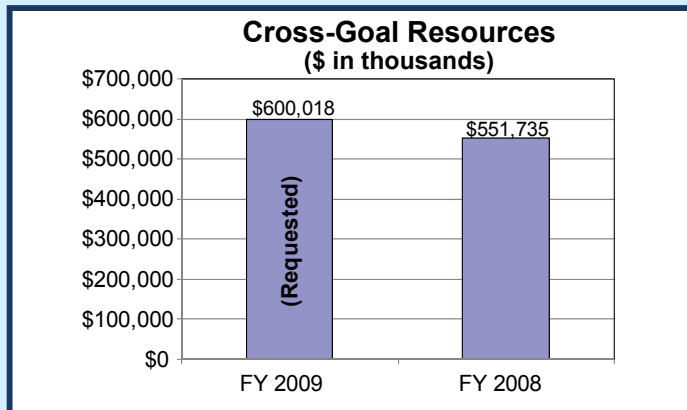
√ = Met or exceeded target	X = Target not met	+ = Target not met but improved over prior years
* = Baseline established		

Goal 3 Performance Results Summary	FY 2008	FY 2007	FY 2006
3.1. Increase success in and completion of quality postsecondary education			
Percentage of high school graduates aged 16–24 enrolling immediately in college	Dec. 2008	X	*
Percentage of Upward Bound participants enrolling in college	Dec. 2010	Dec. 2009	Dec. 2008
Percentage of career and technical education students who have transitioned to postsecondary education or employment by December of the year of graduation	May 2009	X	X
Percentage of freshmen participating in Student Support Services who complete an associate's degree at original institution or transfer to a four-year institution within three years	Dec. 2009	Dec. 2008	+
Percentage of first-time full-time degree-seeking undergraduate students enrolled at 4-year Historically Black Colleges and Universities graduating within six years of enrollment	Dec. 2009	Dec. 2008	√

Percentage of students, enrolled at 4-year Hispanic-Serving Institutions graduating within six years of enrollment	Dec. 2009	Dec. 2008	√
3.2. Deliver student financial aid to students and parents effectively and efficiently			
Direct administrative unit costs for origination and disbursement of student aid (total cost per transaction)	√	√	*
Customer service level on the American Customer Satisfaction Index for the Free Application for Federal Student Aid (FAFSA) on the Web	√	X	X
Pell Grant improper payments rate	X	X	*
Direct Loan recovery rate	√	√	*
Federal Family Education Loan recovery rate	√	√	*
3.3. Prepare adult learners and individuals with disabilities for higher education, employment and productive lives			
Percentage of state vocational rehabilitation agencies that meet the employment outcome standard for the Vocational Rehabilitation State Grants program	Apr. 2009	√	√
Percentage of adults served by the Adult Education State Grants program with an employment goal who obtain a job by the end of the first quarter after their program exit quarter	Dec. 2008	√	√



Cross-Goal Strategy on Management



The Cross-Goal Strategy on Management supports the achievement of the three program-related goals. Management’s role in ensuring proper accounting of federal funds, developing a talented and motivated Department workforce, and improving program performance provides a strong framework to promote successful classroom outcomes. Strategic objectives for this goal focus on maintaining and strengthening financial integrity and management and internal controls, improving the strategic management of the Department’s human capital, and achieving budget and performance integration to link funding decisions to results. The selected key measures below are representative of the 13 key performance measures identified for this cross-goal strategy.

Legend

√ = Met or exceeded target	* = Baseline established	X = Target not met
----------------------------	--------------------------	--------------------

Cross-Goal Strategy Performance Results Summary	FY 2008	FY 2007	FY 2006
4.1. Maintain and strengthen financial integrity and management and internal controls			
Maintain an unqualified (clean) audit opinion	√	√	√
Achieve and maintain compliance with the <i>Federal Information Security Management Act of 2002</i>	X	X	*
4.2. Improve the strategic management of the Department’s human capital			
Percentage of employees believing that steps are taken to deal with a poor performer who cannot or will not improve	Dec. 2008	√	*
Percentage of employees believing that department policies and programs promote diversity in the workplace	Dec. 2008	X	*
Percentage of employees believing that they are held accountable for achieving results	Dec. 2008	√	*
Percentage of employees believing that the workforce has the job-relevant knowledge and skills necessary to accomplish organizational goals	Dec. 2008	√	*
4.3. Achieve budget and performance integration to link funding decisions to results			
Percentage of Department program dollars in programs that demonstrate effectiveness in terms of outcomes, either on performance indicators or through rigorous evaluations	√	√	√

Inspector General's Discussion of Management Challenges

The *Reports Consolidation Act of 2000* requires the Office of Inspector General (OIG) annually to identify and summarize the top management and performance challenges facing the Department and provide information on the Department's progress in addressing those challenges. OIG identified six specific challenge areas for the Department for 2009: (1) student financial assistance programs and operations; (2) information security and management; (3) grantee oversight and monitoring; (4) contract awards, performance and monitoring; (5) data integrity; and (6) human resources services.

Challenge: Student Financial Assistance Programs and Operations

The federal student financial assistance programs involve over 6,200 postsecondary institutions, more than 3,100 lenders, 35 guaranty agencies and many third party servicers. During FY 2008, Federal Student Aid (FSA), provided \$96 billion in awards and oversaw an outstanding loan portfolio of over \$500 billion. Federal Student Aid must conduct effective monitoring and oversight to help protect higher education dollars from waste, fraud and abuse.

The Department's Progress: Federal Student Aid has agreed to improve the management of its programs and to develop and implement consistent oversight procedures. FSA is in the process of restructuring and improving its Chief Compliance Officer organization for the oversight of the Federal Family Education Loan program.

Challenge: Information Security and Management

The *Federal Information Security Management Act (FISMA)* requires each federal agency to develop, document and implement an agency-wide program to provide information security and develop a comprehensive framework to protect the government's information, operations and assets. With regard to information management, the Department's anticipated information technology (IT) capital investment portfolio for FY 2009 is over \$540 million, with many resource-intensive projects pending. It is critical that the Department have a sound IT investment management control process that can ensure that technology investments are appropriately evaluated, selected, justified and supported.

The Department's Progress: The Department recently established plans to improve its controls relating to the protection of personally identifiable information in order to meet the standards and good practice requirements established by the Office of Management and Budget.

Challenge: Grantee Oversight and Monitoring

The Department must ensure that all entities involved in its programs are adhering to statutory and regulatory requirements and that the offices responsible for administering these programs are providing adequate oversight of program participants. Without effective monitoring and oversight, the Department is not able to identify and manage the risks associated with its grant programs.

The Department's Progress: The Department has initiated steps to improve its performance in this area. The Department established a new Grants Policy Team and a Risk Management Service (RMS) office that review all policies, including requirements for monitoring, with the objective of developing standards that would apply across all formula grant programs. The Grants Policy Team also is completing the process of revising the Education Department General Administrative Regulations to incorporate performance management requirements for funded applicants. The Department continues to implement an Enterprise Risk Management program throughout the Department.

Challenge: Contract Awards, Performance and Monitoring

The Department contracts for many services that are critical to its operations at a cost of over \$1 billion a year. The Department must improve its procurement and contract management processes to ensure that it is receiving quality goods and services in accordance with contract terms.

The Department's Progress: The Department recently revised its Contracting Officer's Representative Training Program to incorporate more stringent certification, training and recordkeeping requirements. Also, the Department is working with applicable principal offices to ensure all future performance-based contracts include appropriate contractor incentives and disincentives.

Challenge: Data Integrity

Without valid and reliable data, the Department cannot make effective decisions on its programs or know if the funds it disburses are indeed reaching the intended recipients. States must annually collect and report various performance data to the Department in the consolidated state performance report.

The Department's Progress: The Department recognized the need to improve its data quality and data reliability and launched the Performance-Based Data Management Initiative to streamline existing data collection efforts and information management processes. The resulting Education Data Exchange Network, now called *EDFacts*, provides state educational agencies and the federal government the capacity to transfer and analyze information about education programs.

Challenge: Human Resources Services

Like most federal agencies, the Department will see a significant percentage of its workforce eligible for retirement in 2009. The Department is also continuing to experience a significant change in critical skill requirements for many of its staff. Identification and prompt implementation of needed action steps to adequately address these succession planning and workforce issues, including recruitment, hiring and retention, is critically important.

The Department's Progress: In response to the results of a recent Federal Human Capital Survey, the Department took a three-pronged approach to address the performance culture concerns identified by the survey: (1) senior leadership involvement, (2) principal office action planning training, and (3) the development of a Departmentwide Action Planning Team (APT).

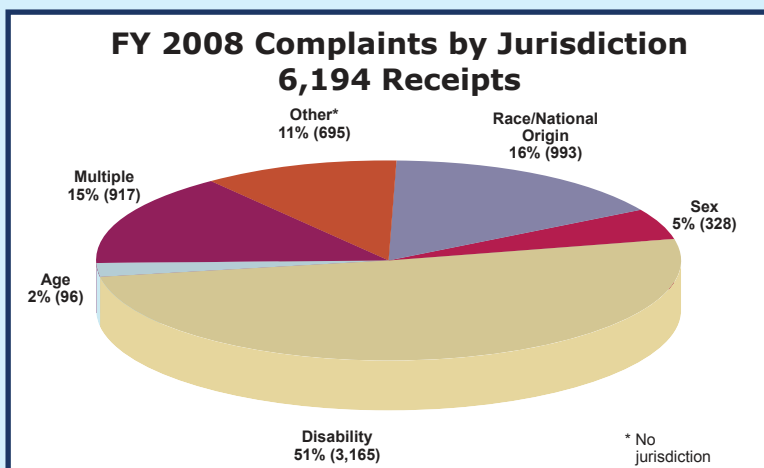
Civil Rights Enforcement

The enforcement of civil rights laws drives student outcomes by ensuring that discrimination does not deny or limit student access to education programs and activities at any educational level. The Department of Education enforces five civil rights laws that protect students against discrimination on the basis of race, color, national origin, sex, disability, and age primarily in educational institutions that receive federal funds from the Department. In addition, the Department enforces laws intended to ensure that the Boy Scouts of America and other designated youth groups have equal access to meet in elementary and secondary schools that receive funds through the Department.¹ These anti-discrimination laws protect more than 49.8 million students attending elementary and secondary schools² and more than 18.2 million students attending colleges and universities.³



In FY 2008, the Department's Office for Civil Rights received 6,194 complaints of discrimination and resolved 5,943.⁴ The goal of each investigation is to address the alleged discrimination promptly and to determine if civil rights laws and regulations have been violated.

In addition to complaint investigations, the Department conducts compliance reviews that address specific civil rights issues of national concern. Forty-two compliance reviews were initiated in FY 2008.



For the full range of civil rights information and policy guidance, please visit <http://www.ed.gov/about/offices/list/ocr/index.html?src=oc>.

1 The Department enforces Title VI of the *Civil Rights Act of 1964* (prohibiting discrimination based on race, color and national origin); Title IX of the *Education Amendments of 1972* (prohibiting sex discrimination in education programs); Section 504 of the *Rehabilitation Act of 1973* (prohibiting disability discrimination); the *Age Discrimination Act of 1975* (prohibiting age discrimination); and Title II of the *Americans with Disabilities Act of 1990* (prohibiting disability discrimination by public entities, whether or not they receive federal financial assistance). The Department also enforces the *Boy Scouts of America Equal Access Act*, enacted in 2002. This law addresses equal access for the Boy Scouts of America and other designated youth groups to meet in public schools receiving funds from the Department.

2 U.S. Department of Education, National Center for Education Statistics (2007). *Projections of Education Statistics to 2015* (NCES-2008-060), Washington, D.C.: Table 1.

3 Ibid, Table 10.

4 Data source is the Office for Civil Rights' Case Management System.

Required Supplementary Stewardship Information

Stewardship Expenses

In the Department of Education, discretionary spending constitutes approximately 86 percent of the budget and includes nearly all programs, the major exceptions being student loans and rehabilitative services. Although spending for entitlement programs is usually a function of the authorizing statutes creating the programs and is not generally affected by appropriations laws, spending for discretionary programs is decided in the annual appropriations process.

Education in the United States is primarily a state and local responsibility. It is estimated that roughly \$1.1 trillion will be spent nationwide on education at all levels for the school year 2008–2009, with Department of Education expenditures, as well as loans and other aid made available as a result of the Department's student financial aid programs. The Department's FY 2008 appropriations of more than \$68.6 billion represents about 2.3 percent of the federal government's \$2.9 trillion FY 2008 budget.

Program Inputs

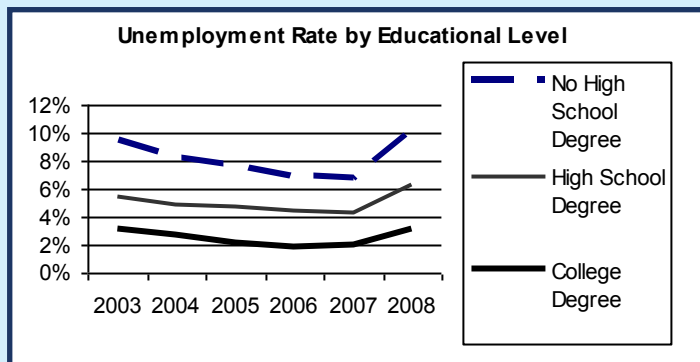
Since the *No Child Left Behind Act* was signed into law in 2002, the Department's current staff of approximately 4,400 has decreased 4 percent below the 4,566 employees who administered federal education programs in 2001. These staff reductions, along with a wide range of management improvements, have helped limit administrative costs to 2 percent of the Department's budget, ensuring that the Department delivers about 98 cents on the dollar in education assistance to states, school districts, postsecondary institutions, and students.

Summary of Human Capital Expenses					
(Dollars in Millions)	2008	2007	2006	2005	2004
Federal Student Aid Expense					
Direct Loan Subsidy	\$ 5,236	\$ (499)	\$ 6,655	\$ 5,211	\$ (543)
FFEL Program Subsidy	(2,852)	4,884	28,062	9,863	8,516
Grant Programs	17,464	15,092	15,447	15,070	14,943
Salaries and Administrative	189	173	172	164	186
Subtotal	20,037	19,650	50,336	30,308	23,102
Other Departmental					
Elementary and Secondary Education	21,583	21,199	21,710	22,940	21,188
Special Education and Rehabilitative Services	15,730	15,402	15,215	13,995	12,687
Other Departmental Programs	4,911	5,109	5,353	6,067	5,160
Salaries and Administrative	491	467	467	486	448
Subtotal	42,715	42,177	42,745	43,488	39,483
Grand Total	\$ 62,752	\$ 61,827	\$ 93,081	\$ 73,796	\$ 62,585

Program Outcomes

Education is the stepping stone to higher living standards for American citizens, and it is vital to national economic growth. But education's contribution is more than increased productivity and incomes. Education improves health, promotes social change, and opens doors to a better future for children and adults.

Economic outcomes, such as wage and salary levels, historically have been determined by the educational attainment of individuals and the skills employers expect of those entering the labor force. Both individuals and society as a whole have placed increased emphasis on educational attainment as the workplace has become increasingly technological, and employers now seek employees with the highest level of skills. For prospective employees, the focus on higher-level skills means investing in learning or developing skills through education. Like all investments, developing higher-level skills involves costs and benefits.



Returns, or benefits, of investing in education come in many forms. While some returns accrue for the individual, others benefit society and the nation in general. Returns related to the individual include higher earnings, better job opportunities, and jobs that are less sensitive to general economic conditions. Returns related to the economy and society include reduced reliance on welfare subsidies, increased participation in civic activities, and greater productivity. Statistics illustrate the rewards of completing high school and investing in postsecondary education.

Unemployment Rate. Individuals with lower levels of educational attainment are more likely to be unemployed than those who had higher levels of educational attainment. The October 2008 unemployment rate for adults (25 years old and over) who had not completed high school was 10.3 percent, compared with 6.3 percent for those with four years of high school and 3.1 percent for those with a bachelor's degree or higher. Younger people with only high school diplomas tended to have higher unemployment rates than adults 25 and over with similar levels of education.

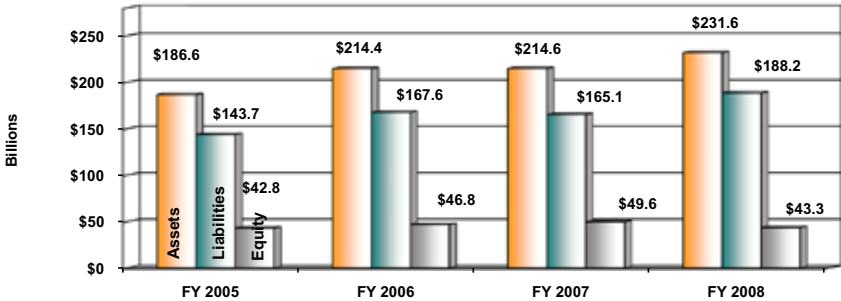
Annual Income. As of July 2008, the annualized median income for adults (25 years and over) varied considerably by education level. Men with a high school diploma earned \$37,180, compared with \$66,404 for men with a college degree. Women with a high school diploma earned \$27,092, compared with \$48,984 for women with a college degree. Men and women with college degrees earned 77 percent more than men and women with high school diplomas. Earnings for workers with college degrees have increased in the past year by 15.79 percent for women and 13.14 percent for men. These returns of investing in education directly translate into the advancement of the American economy as a whole.



Financial Highlights

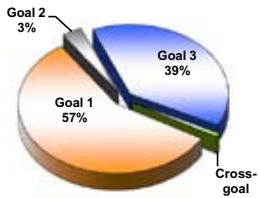
The Department consistently produces accurate and timely financial information that is used by management to inform decision-making and drive results in key areas of operation. For the seventh consecutive year, the Department achieved an unqualified (clean) opinion from independent auditors on the annual financial statements. Since FY 2003, the auditors have found no material weaknesses in the Department's internal control over financial reporting.

Financial Summary					
Dollars in Millions					
Balance Sheet					
	% Change 2008/2007	FY 2008	FY 2007	FY 2006	FY 2005
Fund Balance with Treasury	-3%	\$ 94,899	\$ 97,532	\$ 107,053	\$ 77,569
Credit Program Receivables	+16%	134,725	115,904	106,728	107,937
Other	+62%	1,949	1,202	640	1,061
Total Assets		231,573	214,638	214,421	186,567
Debt	+23%	128,668	104,287	105,677	104,597
Liabilities for Loan Guarantees	-15%	43,322	50,874	52,453	30,611
Other	+64%	16,247	9,896	9,481	8,517
Total Liabilities		188,237	165,057	167,611	143,725
Unexpended Appropriations	-5%	49,506	52,047	51,812	47,288
Cumulative Results of Operations	+150%	(6,170)	(2,466)	(5,002)	(4,446)
Total Net Position		43,336	49,581	46,810	42,842
Total Liabilities and Net Position		\$ 231,573	\$ 214,638	\$ 214,421	\$ 186,567



Statement of Net Cost					
	% Change 2008/2007	FY 2008	FY 2007	FY 2006	FY 2005
Gross Cost	+2%	\$ 74,034	\$ 72,316	\$ 104,699	\$ 82,204
Earned Revenue	+15%	(9,217)	(8,032)	(7,870)	(6,965)
Total Net Cost of Operations		\$ 64,817	\$ 64,284	\$ 96,829	\$ 75,239

Net Cost Based on the Department's Strategic Plan 2007-2012		FY 2008
Goal 1	Improve student achievement, with a focus on bringing all students to grade level in reading and mathematics by 2014	\$ 37,045
Goal 2	Increase the academic achievement of all high school students	2,112
Goal 3	Ensure the accessibility, affordability, and accountability of higher education, and better prepare students and adults for employment and future learning	25,094
Cross-goal	Strategy on Management	566
Total Net Cost of Operations		\$ 64,817



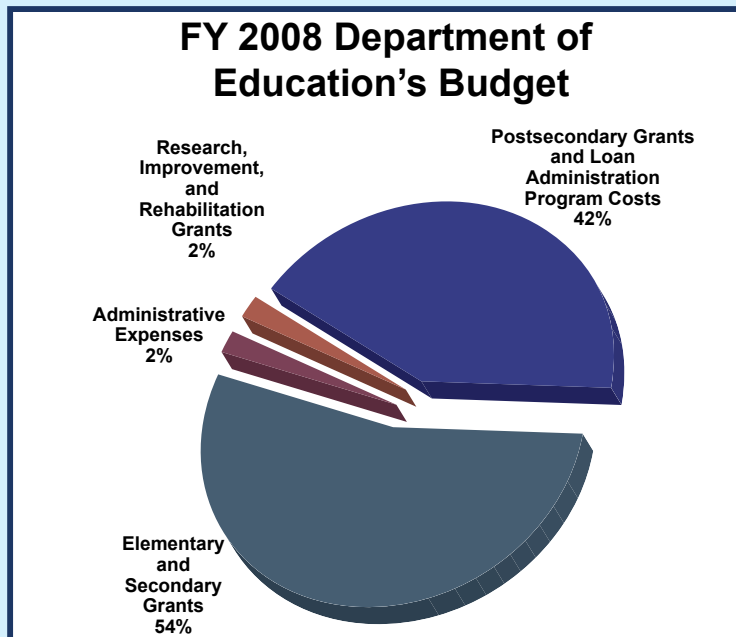
Sources of Funds

The Department managed a budget in excess of \$68 billion during FY 2008, of which 54 percent supported elementary and secondary education grant programs.

Postsecondary education grants and administration of student financial assistance accounted for 42 percent, including loan program costs that helped more than 11 million students and their parents to better afford higher education during FY 2008. An additional 2 percent went to programs and grants encompassing research and improvement, as well as vocational rehabilitation services. Administrative expenditures were 2 percent of the Department's appropriations.

The Department's three largest grant programs are Title I grants for elementary and secondary education, Pell Grants for postsecondary financial aid and Special Education Grants to States under the *Individuals with Disabilities Education Act*. Each of these program's FY 2008 appropriations exceeded \$10 billion. In addition, the TEACH Grant Program was implemented this year. This program awards annual grants to students who agree to teach in a high-need subject area in a public or private elementary or secondary school that serves low-income students.

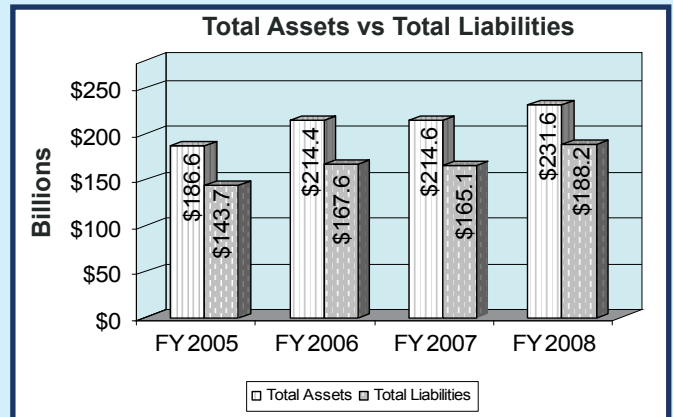
The FFEL Program helps ensure that the loan capital for approximately 3,100 private lenders is available to students and their families. Through 35 active state and private nonprofit guaranty agencies, lenders and schools, the Department administers the FFEL Program to help students and families pay for postsecondary education by providing grants and low-rate loans. The Department is active in all phases of the loan life-cycle from determining borrower eligibility during the Free Application for Federal Student Aid process to processing guarantor claims for reinsurance. As of the end of September 2008, the total principal balance of outstanding guaranteed loans held by lenders was approximately \$415 billion. The government's estimated maximum exposure for defaulted loans was approximately \$405 billion.



The William D. Ford Direct Loan Program, added to the *Higher Education Act of 1965* (HEA) in 1993 by the *Student Loan Reform Act of 1993*, enables the Department to make loans directly to eligible undergraduate and graduate students and their parents through participating schools. As of September 30, 2008, the value of the Department's direct loan portfolio was \$109.9 billion.

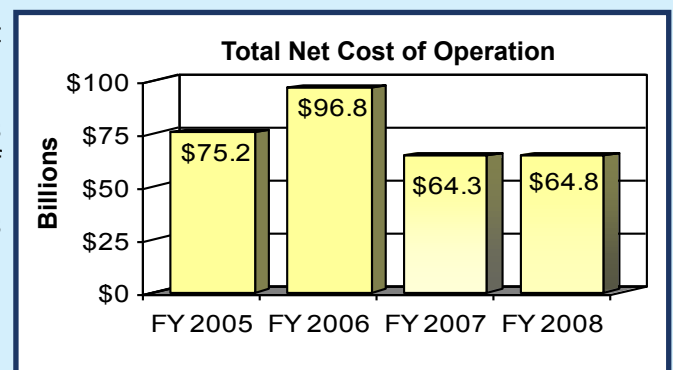
Financial Position

Balance Sheet. The Balance Sheet presents, as of a specific point in time, the recorded value of assets and liabilities retained or managed by the Department. The difference between assets and liabilities represents the net position of the Department. The Balance Sheet reflects total assets of \$231.6 billion, an 8 percent increase over FY 2007. The change is primarily due to the increase in Credit Program Receivables. Credit Program Receivables increased by \$18.8 billion, a 16 percent increase over FY 2007. The majority of this loan portfolio is principal and interest owed by students on direct loans. The remaining balance is related to defaulted guaranteed loans purchased from lenders under terms of the FFEL Program and to loan purchase commitments and loan participation purchases under the FFEL Program. The net portfolio for direct loans increased by over \$10.8 billion due to increased direct loan disbursements and borrower interest collections. FFEL Program loans increased by \$7.9 billion during FY 2008, due primarily to loan volume and activity related to loan purchase commitments and loan participation purchases. Fund Balance with the Treasury decreased by 3 percent from FY 2007.



Total Liabilities for the Department increased by 14 percent. This change is primarily due to an increase in borrowing during FY 2008. Borrowing increased for the Direct Loan Program and to provide funds for the loan purchase commitments and loan participation purchases activity under the FFEL Program. Liabilities for Loan Guarantees for the FFEL Program decreased \$7.6 billion due primarily to FFEL defaulted claims payments and the subsidy re-estimate. These liabilities present the estimated costs, on a present-value basis, of the net long-term cash outflows due to loan defaults net of offsetting fees. The Department's Net Position as of September 30, 2008 was \$43.3 billion, a \$6.3 billion decrease versus the \$49.6 billion Net Position as of September 30, 2007.

Statement of Net Cost. The Statement of Net Cost presents the components of the Department's net cost, which is the gross cost incurred less any revenues earned from the Department's activities. The Department's total program net costs, as reflected on the Statement of Net Cost, were \$64.8 billion, a 1 percent increase from FY 2007. The increase largely occurred for programs in support of the Promote Academic Achievement in Elementary and Secondary Schools goal, the Special Education goal, and the Transformation of Education goal.



Statement of Budgetary Resources. This statement provides information about the provision of budgetary resources and their status as of the end of the reporting period. The statement shows that the Department had \$193.9 billion in total budgetary resources for the year ended September 30, 2008. These budgetary resources were composed of \$79.1 billion in appropriated budgetary resources and \$114.8 billion in non-budgetary credit reform resources, which primarily consist of borrowing authority for the loan programs. Of the \$31.2 billion that remained unobligated at year end, \$29.2 billion represents funding provided in advance for activities in future periods that was not available at year end. These funds will become available during the next fiscal year or future fiscal years.

Summary of Financial Statement Audit and Management Assurances

The following table provides a summary of the Department's financial statement audit and management assurances.

Summary of Financial Statement Audit					
Audit Opinion	Unqualified				
Restatement	No				
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Ending Balance
Total Material Weaknesses	0	0	0	0	0
Summary of Management Assurances					
Effectiveness of Internal Control over Financial Reporting - Federal Managers' Financial Integrity Act (FMFIA) 2					
Statement of Assurance	Unqualified				
Material Weaknesses	Beginning Balance	New	Resolved	Reassessed	Ending Balance
Total Material Weaknesses	0	0	0	0	0
The Department had no material weaknesses in the design or operation of the internal control over financial reporting.					
Effectiveness of Internal Control over Operations - FMFIA 2					
Statement of Assurance	Qualified				
Material Weaknesses	Beginning Balance	New	Resolved	Reassessed	Ending Balance
Information Technology Security	1				1
Monitoring and Oversight of Guaranty Agencies, Lenders and Servicers	1		1		
Total Material Weaknesses	2	0	1	0	1
Conformance with Financial Management System Requirements - FMFIA 4					
Statement of Assurance	The Department systems conform to financial management system requirements.				
Non-Conformance	Beginning Balance	New	Resolved	Reassessed	Ending Balance
Total Non-Conformance	0	0	0	0	0
Compliance with Federal Financial Management Improvement Act					
	Agency			Auditor	
Overall Substantial Compliance	Yes			No	
System Requirements	Yes			No	
Federal Accounting Standards	Yes			Yes	
United States Standard General Ledger at Transaction Level	Yes			Yes	



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The Department's Strategic Plan is available on the Web at:

<http://www.ed.gov/about/reports/strat/index.html>

Department annual plans and annual reports are available on the Web at:

<http://www.ed.gov/about/reports/annual/index.html>

The Department welcomes all comments and suggestions on both the content and presentation of this report.

Please forward them to:

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U.S. Department of Education
Washington, D.C. 20202-0600
E-mail: PARcomments@ed.gov



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