

Message From the Secretary

November 16, 2009

This year has been the most active in the 30-year history of the U.S. Department of Education (the Department). With challenges faced by school districts, institutions of higher education and students of all ages, we have mobilized as a nation to provide stability for the present and incentives for improvement in the future.

As a Department, we have broadened and deepened our commitment to the Department's stated mission: to promote achievement and preparation for global competitiveness by fostering educational excellence and ensuring equal access, using goals and measures that reflect the importance of early childhood, K-12 and higher education.



The report focuses on achievement and access; putting performance first; ensuring responsible implementation of the *American Recovery and Reinvestment Act of 2009*, commonly known as the *Recovery Act* or *ARRA*; and bringing the government into a new time of transparency, technology and innovation. The *Recovery Act* provides \$98.2 billion in education funding and college grants and tuition tax credits.

Achievements:

- We report weekly on *Recovery Act* spending, by state and program, and make these reports available on our Web site.
- The Department has accelerated *Recovery Act* spending by advancing its internal deadlines to award \$11.37 billion to states one month early to help save jobs and drive reform.
- President Obama joined us at the Department on July 24, 2009, to announce Race to the Top—a national competition for states to lead the way in school reforms, backed by historic levels of financial support.
- The Department continues to ensure that eligible students are able to obtain student loans despite the challenges in the credit market.
- For the eighth consecutive year, the Department has earned a clean opinion from independent auditors on its financial statements; and for the seventh consecutive year, no material weaknesses were identified.
- Since the “Listening and Learning Tour Online” went live on May 11, hundreds of comments have been made regarding the four reforms outlined in the *Recovery Act*, college graduation, teacher evaluations and early childhood. Comments are posted at: <http://www.edgovblogs.org/duncan/topic/join-the-conversation/>.

Future Initiatives:

- Simplifying the Free Application for Federal Student Aid (FAFSA).
- Working to ensure we have an efficient and effective student aid delivery process.

Challenges:

- Ongoing efforts to strengthen and improve controls over information and technology processes.
- Managing *Recovery Act* spending and continuing recipient and sub-recipient reporting.
- Addressing time lags in collection and reporting of performance data, which are mostly collected from the states.

This report includes information and assurances about the Department's financial management systems and management controls required by the *Federal Managers' Financial Integrity Act of 1982*. These systems and controls provide reasonable assurance that the objectives of this Act have been met. For further discussion, please see the Management's Assurances section of the Management's Discussion and Analysis on pages 42-43 of this report.

This year, the Department is participating in an Office of Management and Budget pilot program discussed in the Foreword of this document. Our performance data are fundamentally complete and reliable and will be reported in the *Annual Performance Report* in February.

Sincerely,

/s/

Arne Duncan