Appendix A

Performance Data Tables

Appendix A

Performance Data Tables

Key to Tables in Appendix A

/// = Data for this measure are provided by a periodic collection that is not annual or the collection has not yet begun.

--- = Data are unavailable and not expected.

M = Million

Tables contain data for 1999 – 2003, to the extent that measures were in place for those years.

Bolded entries represent data not previously reported in an annual performance report.

Key to Documentation in Appendix A

Source. Identifies the original source(s) of the data provided in the corresponding table.

Data Quality. Includes information such as how data were collected, calculated, and reviewed; data strengths and limitations; and plans for improvement of data quality.

Related Information. Identifies the location of supplementary information about the topic addressed by the performance measure(s).

Additional Information. Provides relevant background about a measure. Also provides an explanation for unmet targets and actions being taken or planned to address the shortfall. Where data are not yet available, the section provides the date by which data are expected to be available.

Objective 1.1: Link Federal Funding to Accountability

1.1.1 Percentage of states with complete accountability systems as required by the No Child Left Behind Act

Fiscal Year	Actual
2002	---
2003	**100**
We exceeded our 2003 target of 40.	

Source. Department of Education, Office of Elementary and Secondary Education (OESE), Program files.

Data Quality. OESE, which administers the Title I program, maintains records of peer reviews and final approvals of state accountability systems.

Related Information. Final regulations for No Child Left Behind (NCLB) state accountability systems are available at http://www.ed.gov/legislation/FedRegister/finrule/2002–3/070502a.html.

Additional Information. The NCLB establishes the framework for a school accountability system for all states, the District of Columbia, and Puerto Rico.

Actual data for measure 1.1.1 reflect the percentage of states that have accountability plans that were approved by the Department by June 2003. These plans are currently being implemented by all states on a continuous basis.

1.1.2 Percentage of Department programs reviewed under the PART process that demonstrate effectiveness[1]

Fiscal Year	Actual
2002	22
2003	Target is 40.
Data for 2003 are pending.	

1.1.3 Percentage of Department program dollars associated with programs reviewed under the PART process that demonstrate effectiveness[2]

Fiscal Year	Actual
2002	46
2003	Target is 60.
Data for 2003 are pending.	

Source. Department of Education, Analysis of Program Assessment Rating Tool (PART) findings.

Data Quality. Only programs for which PART reviews are complete are eligible to be identified as effective. PART analysis began in 2002. Over the five-year period 2002 through 2006, the Department will conduct PART analyses on all programs.

Effective is defined as a score of at least 50 percent on Section IV of the PART, which evaluates program results. Measure 1.1.2

[1] In our Interim Adjustments to the *Strategic Plan*, submitted with our *FY 2004 Annual Plan*, the Department modified the statement of this measure to be consistent with OMB's use of the PART to measure program effectiveness. Actual data values for the prior year were recomputed under the new definition and targets were modified for consistency.
[2] *Ibid.*

compares the number of effective programs to the total number of programs that were reviewed under the PART. Measure 1.1.3 compares the appropriations for the effective programs to the appropriations for all programs that were reviewed under the PART. FY 2002 data reflect FY 2002 appropriations and programs that had PART reviews conducted during FY 2002. Appropriation amounts include only program budget authority and exclude salaries and expenses budget authority. FY 2003 data, when available, will reflect FY 2003 appropriations and programs that had PART reviews conducted during or prior to FY 2003. Data for 2002 have been revised to reflect final PART scores. (The *FY 2002 Performance and Accountability Report* used preliminary PART scores.)

For many programs that do not demonstrate effectiveness, the Department has not yet collected sufficient performance data. No conclusion should be drawn that programs that did not meet this standard for *effective* are ineffective.

Related Information. Information about the Office of Management and Budget (OMB) PART process is available at http://www.whitehouse.gov/omb/budintegration/part_assessing2004.html.

Additional Information. Data for FY 2003 are expected in February 2004. The NCLB made significant changes to most of the Department's elementary and secondary education programs. We expect to see major improvements in performance information over the next two years as performance measures are improved, data on the first full year of implementation of NCLB become available, and the Performance-Based Data Management Initiative becomes operational.

Objective 1.2: Flexibility and Local Control

1.2.1 Percentage of school districts utilizing Local-Flex, Transferability or Rural Flexibility[3]

Fiscal Year	Actual
2002	---
2003	Target is to set the baseline.[4]
Data for 2003 are pending.	

Source. Department of Education, Office of Elementary and Secondary Education, Consolidated State Performance Reports.

Data Quality. Department of Education staff review Consolidated State Performance Reports submitted by state educational agencies and local educational agencies (LEAs). Data are validated against internal review procedures. An aggregate percent of school districts using Local-Flex, Transferability, or Rural Flexibility will provide an unduplicated count of districts across these three initiatives.

Related Information. More information on flexibility programs is available at http://www.ed.gov/nclb/freedom/local/flexibility/index.html.

More information on Rural Education Achievement Program (REAP) is available at http://www.ed.gov/programs/reapsrsa/index.html.

Additional Information. Baseline data for 2003 will be available April 2004.

These measures are based on the provisions for the REAP, the Local Flexibility Demonstration Program (Local-Flex), and Local Transferability Provisions. Although REAP was initially implemented under the Improving America's Schools Act (IASA) in 2001, its provisions were modified under NCLB. Under NCLB, eligibility for REAP was expanded to include multiple criteria and the programs covered by this flexibility authority were changed to encourage states and LEAs to apply for REAP. Since school year (SY) 2001–02 REAP activity was based on IASA provisions, the Department decided to collect data starting with SY 2002–03, when regulations under NCLB were fully implemented.

The Transferability Authority was authorized under NCLB and available to districts starting with SY 2002–03. (The Department published guidance for this activity in the fall of 2002.) The baseline year for this activity is SY 2002–03; data will be reported in the spring of 2004.

The Local-Flex program was authorized under NCLB and available for SY 2002–03. However, the first recipients will not be approved until the fall of 2003. The baseline year is SY 2003–04.

[3] In our Interim Adjustments to the *Strategic Plan*, submitted with the *FY 2004 Annual Plan*, the Department modified this measure statement to include all of the major flexibility provisions under NCLB and modified the 2003 target to set the baseline.
[4] The baseline for REAP and the Transferability Authority will be set in FY 2003; the baseline for Local-Flex will be set in FY 2004.

1.2.2 (Discontinued[5]) Number of states approved for Ed-Flex	
Fiscal Year	**Actual**
1999	12
2000	13
2001	9
2002	10
2003	**10**
We did not meet our 2003 target of 20.	

Source. Department of Education, Office of Elementary and Secondary Education, Consolidated State Performance Reports.

Data Quality. The Department did not receive any new Ed-Flex applications during FY 2003, but existing approvals remained valid; thus, the actual data for 2003 is the same as the actual data for 2002.

Related Information. Information on Ed-Flex Partnership Act Resources is available at http://www.ed.gov/nclb/freedom/local/flexibility/index.html#edflex.

Additional Information. Ed-Flex was first enacted in 1994 as a demonstration program in the Goals 2000: Educate America Act and was limited to 12 states. By statute, states receive Ed-Flex authority for up to five years. The Education Flexibility Partnership Act of 1999 allowed any state educational agency that met the eligibility criteria to receive Ed-Flex authority. In 1999, states participating in the demonstration program lost the Ed-Flex waiver if the stronger accountability provisions of the Education Flexibility Partnership Act were not met.

States are eligible to apply for the Ed-Flex waiver if Title I standards and accountability requirements such as Adequate Yearly Progress and approved accountability systems are met.

The Department discontinued this measure effective FY 2004 and we are focusing our flexibility efforts on the flexibility provisions provided in NCLB, which are measured by 1.2.1.

1.2.3 OMB burden hour estimates of Department program data collections per year	
Fiscal Year	**Actual**
1999	42.07 M
2000	40.93 M
2001	40.65 M
2002	38.40 M
2003	**39.06 M**
We did not meet our 2003 target of 38 M.	

Source. Department of Education, Office of the Chief Information Officer (OCIO), program files.

Office of Management and Budget (OMB), Burden calculations.

Data Quality. Data are validated by internal review procedures of the Regulatory Information Management Group of the OCIO. Data are estimated for all of the Department's data collections from the public. The Department makes initial estimates, and OMB later confirms those estimates or provides revised estimates. In the table above, data for 2003 are based on the Department's estimates. OMB will confirm these estimates or provide revised estimates in late November 2003.

Related Information. The information collection document that outlines all OMB-approved collection efforts, as well as those collections waiting for OMB approval (pending), are available at http://edicsweb.ed.gov.

Additional Information. Overall, the Department reduced the burden hours for collections compared to FY 2002 collection requirements and regulations. The 39.06 million figure includes 1.01 million hours that resulted from new data collections required for NCLB and other Department programs and an increase in the number of loan and grant applicants during FY 2003. These factors and others have and will most likely continue to result in an increase in burden hours for existing collections. In light of these factors, the Department plans to revise its targets for FY 2004 and FY 2005.

[5] In our Interim Adjustments to the *Strategic Plan*, submitted with the *FY 2004 Annual Plan*, the Department discontinued this measure effective FY 2004.

1.2.4 Percentage of Department grantees that express satisfaction with ED customer service	
Fiscal Year	**Actual**
2002	63
2003	**68**
We exceeded our 2003 target of 65.[6]	

Source. Department of Education, Survey on Satisfaction of Chief State School Officers, 2002.

Department of Education, Survey on Satisfaction with the U.S. Department of Education, 2003.

Data Quality. The Department collected data for this measure from a questionnaire distributed to the Chief State School Officer, the Title I State Director, the Adult Education State Director, the Career and Technical State Director, the State Director of Special Education, and the Coordinator of IDEA Early Intervention in each state, for a total of over 300 surveys. The questionnaire asked about satisfaction with customer service, technical assistance, Web utilization, and documentation. The survey was developed and results were tabulated and processed by a contractor with expertise in survey development and analysis.

Additional Information. Data for this measure were collected and reported as disaggregated statistics for each of the six groups surveyed and as an aggregated statistic. The statistic the Department used to measure against the FY 2003 target of 65 was the Chief State School Officers' statistic of 68 percent satisfaction. The FY 2002 baseline of 63 percent as well as the FY 2003 target were set using the Chief State School Officers' response to the 2002 survey, the first year the survey was administered. To measure change over time in reporting on the FY 2003 target, the Department used equivalent populations.

The aggregated statistic of the six groups' satisfaction with the Department was 77 percent satisfaction, which provides the most comprehensive picture of satisfaction with the Department. The Department plans to revise its targets for FY 2004 and FY 2005. The new targets will reflect the survey's larger universe of respondents and represent a more complete measure.

Objective 1.3: Information and Options for Parents

1.3.1 Percentage of parents who report having the information they need to determine the effectiveness of their child's school	
Fiscal Year	**Actual**
2002	---
2003	---[7]
Data are unavailable and not expected.	

Additional Information. The Department did not develop a measurement tool for this measure and plans to discontinue the measure effective FY 2005.

1.3.2 Percentage of students in grades K–12 that are attending a school (public or private) that their parents have chosen[8]	
Fiscal Year	**Actual**
1999	26
2000	NA
2001	26
2002	---
2003	Target is 19.
Data for 2003 are pending.	

Source. Department of Education, National Center for Education Statistics (NCES), National Household Education Surveys Program (NHES), Parent Survey, 1999.

Department of Education, National Center for Education Statistics, National Household Education Surveys Program (NHES), Before- and After-School Programs and Activities Survey, 2001.

Data Quality. NHES is a national random digit dialed telephone data collection program sponsored by the NCES. When properly weighted, the data are representative of all civilian, noninstitutionalized persons in the United States. The weighted response rate for the Parent Survey, 1999, was 65 percent. The weighted response rate for the Before- and After-School Programs and Activities Survey, 2001, was 60 percent.

Data for 2003 will provide data on K–8 only, not the specified

[6] In our Interim Adjustments to the *Strategic Plan*, submitted with our *FY 2004 Annual Plan*, the Department replaced TBD, which appeared in our *2003 Annual Plan*, with a numerical target.
[7] In our Interim Adjustments to the *Strategic Plan*, submitted with the *FY 2004 Annual Plan*, the Department modified the 2003 target to be to set the baseline because the baseline was not previously set.
[8] The Department established this measure for grades K–12; beginning in 2002, data will be available for only grades K–8.

K–12 population of the current measure. Data for K–12 are no longer available.

Related Information. The NHES Web site is http://nces.ed.gov/nhes/.

Information on the Parent Survey, 1999, is available at http://nces.ed.gov/nhes/surveytopics_school.asp.

Information about the Before- and After-School Programs and Activities Survey, 2001, is available at http://nces.ed.gov/nhes/surveytopics_school.asp.

Additional Information. The NHES 2003 data will be available in February 2004.

Actual data for 1999 were revised because updates include both public and private schools while the previously reported figure included only public schools.

1.3.3 Number of children attending charter schools

Fiscal Year	Actual
1999	252,000
2000	478,000
2001	546,000
2002	575,000
2003	**684,495**

We made progress in meeting our 2003 target of 828,000.

Source. Center for Education Reform, *National Charter School Directory* 2002–2003 (2002 and 2003 data).

Department of Education, Program files (2000 and 2001 data).

Department of Education, *State of Charter Schools* 2000: *Fourth-Year Report* (1999 data).

Data Quality. Initially, the Department collected charter school enrollment data through a four-year national study of charter schools. The 1999 data were taken from the last such study entitled *State of Charter Schools* 2000: *Fourth-Year Report*. For FY 2000 and FY 2001, the Department used data that were collected, validated, and reported by the states. States have varying methods for collection and varying standards for defining charter schools and enrollment. FY 2002 and 2003 data have been provided by the Center for Education Reform, which collected data by a telephone survey using methods similar to those used by the Department in FY 2000 and 2001.

Related Information. The Center for Education Reform's statistics and highlights page offers current-year enrollment figures. They are available at http://www.edreform.com/index.cfm?fuseAction=stateStatChart&psectionid=15&cSectionID=44.

The Department sponsors an independent Web site that provides information about charter schools. It is available at http://www.uscharterschools.org/.

The NCES Common Core of Data (CCD) collects information on charter schools as part of its Public School Universe data collection. Information on the CCD is available at http://nces.ed.gov/ccd/.

The *State of Charter Schools* 2000: *Fourth Year Report* is available at http://www.ed.gov/pubs/charter4thyear/.

Additional Information. The Center for Education Reform counts enrollment at the beginning of each school year. FY 2003 data for this measure are taken from the Center for Education Reform's statistics for SY 2002–03. SY 2002–03 data are used because they measure actual enrollment in FY 2003, which covers October 2002 to September 2003. The Center published updated enrollment statistics for SY 2002–03 in January 2003.

The growth in the number of children enrolled in charter schools and the number of new charter schools has continued over the last five years, although not as dramatically as in the early days of the charter school movement. This trend is dependent largely on state legislatures, who maintain authority to pass laws authorizing the creation of charter schools. Although some states have successfully amended their state statutes to either increase or remove the cap on the number of charter schools, other states have not been as successful. In states and cities where there are large numbers of charter schools, it has become increasingly difficult for charter school developers to secure adequate facilities.

The Department continues to employ a number of information-sharing strategies to assist states in furthering their charter school efforts, including providing testimony by Department staff to state legislatures, providing information to state charter school organizations, and inviting state legislators to attend the Department's Annual Charter School Conference. The

President's 2004 budget request also included a substantial increase in funds for the Credit Enhancement for Charter Schools Facilities Program.

1.3.4 Of eligible children, the percentage using supplemental educational services under the provisions of Title I	
Fiscal Year	**Actual**
2002	Target is to set the baseline.
Data for 2003 are pending.	

Source. Department of Education, Title I Accountability Systems and School Improvement Efforts (TASSIE)—Survey Question D56.

Data Quality. Data from TASSIE are from a nationally representative sample of local educational agencies.

Related Information. Information on TASSIE is available at http://www.tassieonline.org/.

Additional Information. Eligible children are low-income children who attend a school in its second year of "school improvement" status under the Elementary and Secondary Education Act (ESEA) Title I or in a school where supplemental services are being offered during the school's first year in "school improvement" status. This provision went into effect September 2002 for SY 2002–03. Data will be available in April 2004.

Objective 1.4: Use Of Scientifically Based Research

1.4.1 (Discontinued[9]) Percentage of Department programs that have developed and disseminated research-based "what works" guides to their grantees	
Fiscal Year	**Actual**
2002	0
2003	0
We did not meet our 2003 target of 25.	

1.4.2 (Discontinued[10]) Percentage of "what works"guides that are deemed to be of high quality by an independent review panel of qualified scientists	
Fiscal Year	**Actual**
2002	0
2003	0
We did not meet our 2003 target of 95.	

Source. Department of Education, Office of English Language Acquisition, Office of Special Education and Rehabilitative Services, Institute of Education Sciences (IES), and Office of Elementary and Secondary Education, Program files.

Additional Information. The Department did not implement the "what works" guides project and discontinued this measure effective FY 2004. Also see measure 4.2.2 on page 215 for a related measure.

Objective 2.1: Reading Achievement

2.1.1 – 2.1.6 Number of states meeting their targets for third-grade reading achievement						
Fiscal Year	**All Students**	**Low-Income Students**	**African American Students**	**Hispanic Students**	**Students with Disabilities**	**English Language Learners**
2002	///	///	///	///	///	///
2003	Target is 45.	Target is 45.	Target is 45.	Target is 45.	Target is 45.	Target is 45.
	Data for 2003 are pending.	Data for 2003 are pending.	Data for 2003 are pending.	Data for 2003 are pending.	Data for 2003 are pending.	Data for 2003 are pending.

Source. Department of Education, Consolidated State Performance Reports.

Data Quality. States submit Consolidated State Performance Reports to the Office of Elementary and Secondary Education for review. Internal review standards guide review and reporting of data from these reports.

Related Information. Information on the Consolidated State Performance Reports can be obtained at

[9] In our Interim Adjustments to the *Strategic Plan*, submitted with the *FY 2004 Annual Plan*, the Department discontinued this measure effective FY 2004.
[10] *Ibid.*

http://www.ed.gov/admins/lead/account/consolidated/index.html #csp.

Information on the National Assessment of Educational Progress (NAEP) can be obtained at http://www.nces.ed.gov/nationsreportcard/.

Additional Information. First-year data for 2003 are expected to be available in January 2004.

Starting with SY 2002–03, each state is required to set the same annual achievement target for all students and for several student subgroups. State targets are based on assessments from SY 2001–02. The first tests that measure against these targets were administered in the spring of 2003 for SY 2002–03. Therefore, FY 2003 is the first year for which state-level data will be available. Some states have issued a State Report Card that includes their annual assessment and achievement data.

Under NCLB, state targets must increase at least every 3 years for the next 12 years, when 100 percent of all students within all subgroups are expected to achieve proficiency. Therefore, although the targets listed above are stable, student achievement will actually need to improve steadily to meet these targets.

States are not required to administer reading assessments for third graders until SY 2005–06; therefore, the targets and data reflect elementary school reading achievement until FY 2006.

2.1.7 – 2.1.12

Percentage of fourth-grade public school students scoring at or above the *Proficient* and *Basic* levels on the NAEP reading assessment

Fiscal Year	All Students		Low-Income Students		African American Students	
	Proficient	*Basic*	*Proficient*	*Basic*	*Proficient*	*Basic*
2000	28	57	13	38	9	34
2001	///	///	///	///	///	///
2002	**30**	**62**	**16**	**46**	**13**	**41**
2003	**30**	**62**	**15**	**44**	**12**	**39**
	We met our 2002 target of 30. We did not meet our 2003 target of 31.	We met our 2002 target of 60. We met our 2003 target of 61.	We met our 2002 target of 14. We met our 2003 target of 15.	We exceeded our 2002 target of 40. We exceeded our 2003 target of 41.	We met our 2002 target of 11. We met our 2003 target of 12.	We exceeded our 2002 target of 36. We met our 2003 target of 37.

2.1.13 – 2.1.18

Percentage of fourth-grade public school students scoring at or above the *Proficient* and *Basic* levels on the NAEP reading assessment

Fiscal Year	Hispanic Students		Students With Disabilities		Limited English Proficient Students	
	Proficient	*Basic*	*Proficient*	*Basic*	*Proficient*	*Basic*
2000	13	36	8	23	3	18
2001	///	///	///	///	///	///
2002	**16**	**45**	**9**	**29**	**5**	**24**
2003	**14**	**43**	**9**	**29**	**7**	**28**
	We met our 2002 target of 14. We did not meet our 2003 target of 15.	We exceeded our 2002 target of 37. We exceeded our 2003 target of 38.	We met our 2002 target of 9. We did not meet our 2003 target of 10.	We exceeded our 2002 target of 24. We exceeded our 2003 target of 25.	We met our 2002 target of 4. We met our 2003 target of 5.	We exceeded our 2002 target of 19. We exceeded our 2003 target of 20.

Source. Department of Education, National Center for Education Statistics, National Assessment of Educational Progress (NAEP), The Nation's Report Card: Reading, 2002.

Department of Education, National Center for Education Statistics, National Assessment of Educational Progress (NAEP), The Nation's Report Card: Reading Highlights, 2003.

Data Quality. NAEP data are validated using rigorous NCES statistical standards and only significant differences are discussed in the NAEP reports. However, the differences between 2003 actual percents and target percents have not been tested for statistical significance. Small differences may not be statistically significant, especially for smaller subgroups.

NAEP scores are based on samples. Beginning in 2002, the NAEP national sample was obtained by aggregating the samples from each state, rather than by obtaining an independently selected national sample. As a consequence, the size of the national sample increased, and smaller differences between years or between types of students were found to be statistically significant than would have been detected in previous assessments. To provide the ability to compare progress over time, NCES re-computed prior year results based on this new methodology. The FY 2000 scores in the table above have been revised from our prior performance report to reflect these updated data.

Student reading performance is reported in two ways: 1) average scale scores and 2) achievement levels. NCES reports achievement levels as below *Basic*, *Basic*, *Proficient*, and *Advanced*. As provided by law, NCES, upon review of a congressionally mandated evaluation of NAEP, has determined that the achievement levels are to be used on a trial basis and should be interpreted and used with caution. However, both NCES and the National Assessment Governing Board (NAGB) believe that these performance standards are useful for understanding trends in student achievement. NAEP achievement levels have been widely used by national and state officials. Detailed descriptions of the NAEP reading achievement levels can be found on the NAGB Web site at http://www.nagb.org/pubs/readingbook.pdf.

The Department's strategic and annual performance measures report at or above *Proficient* and at or above *Basic* for public school students.

Beginning in 1998, assessment procedures allowed for the use of accommodations by students with disabilities or limited English proficient students who required accommodations to participate in NAEP. The Department of Education uses the data tables on the NCES Web site for Grade 4 achievement of public school students with "accommodations permitted." To reconstruct the data tables in this report, go to http://nces.ed.gov/nationsreportcard/ and select NAEP data. Use the search option to select the following factors: reading, grade 4, national (public), all students, achievement tables, accommodations permitted.

NAEP results for students with disabilities represent results for a sample of students classified by their schools as having a disability. Results from this sample cannot be generalized to the total population of such students.

NCES publishes NAEP race/ethnicity scores in the Report Cards in two ways: based on student responses to two background questions and on school records. Through 2002, the Department reported race/ethnicity results based on student responses. Beginning in 2003, the Department reports race/ethnicity results based on school records.

Related Information. Additional information on NAEP results including sample questions and student answers, is available at http://nces.ed.gov/nationsreportcard/.

Additional Information. The NAEP data for fourth-grade reading achievement are collected biennially and have traditionally been analyzed and released in the spring of the year after collection. With NCLB, NAEP reading and mathematics results are released six months after the assessment. Future NAEP fourth-grade reading assessments are scheduled for 2005, 2007 and 2009.

Objective 2.2: Mathematics Achievement

2.2.1 – 2.2.6 Number of states meeting their targets for eighth-grade mathematics achievement

Fiscal Year	All Students	Low-Income Students	African American Students	Hispanic Students	Students with Disabilities	English Language Learners
2002	///	///	///	///	///	///
2003	Target is 45.	Target is 45.	Target is 45.	Target is 45.	Target is 45.	Target is 45.
	Data for 2003 are pending.	Data for 2003 are pending.	Data for 2003 are pending.	Data for 2003 are pending.	Data for 2003 are pending.	Data for 2003 are pending.

Source. Department of Education, Consolidated State Performance Reports.

Data Quality. States submit Consolidated State Performance Reports to the Office of Elementary and Secondary Education for review. Internal review standards guide review and reporting of data from these reports.

Related Information. Information on the Consolidated State Performance Reports can be obtained at http://www.ed.gov/admins/lead/account/consolidated/index.html#csp.

Information on NAEP can be obtained at http://www.nces.ed.gov/nationsreportcard/.

Additional Information. First-year data for 2003 are expected to be available in January 2004.

Starting with SY 2002–03, each state is required to set the same annual achievement target for all students and for several student subgroups. State targets are based on assessments from SY 2001–02. The first tests that measure against these targets were administered in the spring of 2003 for SY 2002–03. Therefore, FY 2003 is the first year for which state-level data will be available. Some states have issued a State Report Card that includes their annual assessment and achievement data.

Under NCLB, state targets must increase at least every 3 years for the next 12 years, when 100 percent of all students within all subgroups are expected to achieve proficiency. Therefore, although the targets listed above are stable, student achievement will actually need to improve steadily to meet these targets.

States are not required to administer mathematics assessments for eighth graders until SY 2005–06; therefore, the targets and data reflect middle school mathematics achievement until FY 2006.

2.2.7 – 2.2.12 Percentage of eighth-grade public school students scoring at or above the *Proficient* and *Basic* levels on the NAEP mathematics assessment

Fiscal Year	All Students		Low-Income Students		African American Students	
	Proficient	*Basic*	*Proficient*	*Basic*	*Proficient*	*Basic*
2000	25	62	10	41	5	30
2001	///	///	///	///	///	///
2002	///	///	///	///	///	///
2003	**27**	**67**	**11**	**47**	**7**	**39**
	We met our 2003 target of 27.	We exceeded our 2003 target of 64.	We met our 2003 target of 11.	We exceeded our 2003 target of 43.	We met our 2003 target of 6.	We exceeded our 2003 target of 31.

2.2.13 – 2.2.18	Percentage of eighth-grade public school students scoring at or above the *Proficient* and *Basic* levels on the NAEP mathematics assessment					
Fiscal Year	Hispanic Students		Students with Disabilities		Limited English Proficient Students	
	Proficient	*Basic*	*Proficient*	*Basic*	*Proficient*	*Basic*
2000	8	40	4	20	2	21
2001	///	///	///	///	///	///
2002	///	///	///	///	///	///
2003	**11**	**47**	**6**	**29**	**5**	**26**
	We met our 2003 target of 11.	We exceeded our 2003 target of 40.	We met our 2003 target of 5.	We exceeded our 2003 target of 29.	We met our 2003 target of 3.	We exceeded our 2003 target of 26.

Source. Department of Education, National Center for Education Statistics (NCES), National Assessment of Educational Progress (NAEP).

Department of Education, National Center for Education Statistics, National Assessment of Educational Progress (NAEP), The Nation's Report Card: Mathematics Highlights, 2003.

Data Quality. NAEP data are validated using rigorous NCES statistical standards and only significant differences are discussed in the NAEP reports. However, the differences between 2003 actual percents and target percents have not been tested for statistical significance. Small differences may not be statistically significant, especially for smaller subgroups.

NAEP scores are based on samples. Beginning in 2002, the NAEP national sample was obtained by aggregating the samples from each state, rather than by obtaining an independently selected national sample. As a consequence, the size of the national sample increased, and smaller differences between years or between types of students were found to be statistically significant than would have been detected in previous assessments. To provide the ability to compare progress over time, NCES re-computed prior year results based on this new methodology. The FY 2000 scores in the table above have been revised from our prior performance report to reflect these updated data.

NAEP results for students with disabilities represent results for a sample of students classified by their schools as having a disability. Results from this sample cannot be generalized to the total population of such students.

NCES publishes NAEP race/ethnicity scores in the Report Cards in two ways: based on student responses to two background questions and on school records. Through 2002, the Department reported race/ethnicity results based on student responses. Beginning in 2003, the Department reports race/ethnicity results based on school records.

Related Information. NAEP data are available at http://nces.ed.gov/nationsreportcard/.

Additional Information. The eighth-grade NAEP mathematics assessment is scheduled to be given every two years. The next assessment is scheduled for 2005.

Objective 2.3: High School Achievement

2.3.1 – 2.3.6	Number of states meeting their targets for high school reading achievement					
Fiscal Year	All Students	Low-Income Students	African American Students	Hispanic Students	Students with Disabilities	English Language Learners
2002	///	///	///	///	///	///
2003	Target is 45.	Target is 45.	Target is 45.	Target is 45.	Target is 45.	Target is 45.
	Data for 2003 are pending.	Data for 2003 are pending.	Data for 2003 are pending.	Data for 2003 are pending.	Data for 2003 are pending.	Data for 2003 are pending.

Source. Department of Education, Consolidated State Performance Reports.

Data Quality. States submit Consolidated State Performance Reports to the Office of Elementary and Secondary Education for review. Internal review standards guide review and reporting of data from these reports.

Related Information. Information on the Consolidated State Performance Reports can be obtained at http://www.ed.gov/admins/lead/account/consolidated/index.html#csp.

Information on NAEP can be obtained at http://www.nces.ed.gov/nationsreportcard/.

Additional Information. First-year data for 2003 are expected to be available in January 2004.

Starting with SY 2002–03, each state is required to set the same annual achievement target for all students and for several student subgroups. State targets are based on assessments from SY 2001–02. The first tests that measure against these targets were administered in the spring of 2003 for SY 2002–03. Therefore, FY 2003 is the first year for which state-level data will be available. Some states have issued a State Report Card that includes their annual assessment and achievement data.

Under NCLB, state targets must increase at least every 3 years for the next 12 years, when 100 percent of all students within all subgroups are expected to achieve proficiency. Therefore, although the targets listed above are stable, student achievement will actually need to improve steadily to meet these targets.

2.3.7 – 2.3.12 Number of states meeting their targets for high school mathematics achievement

Fiscal Year	All Students	Low-Income Students	African American Students	Hispanic Students	Students with Disabilities	English Language Learners
2002	///	///	///	///	///	///
2003	Target is 45.	Target is 45.	Target is 45.	Target is 45.	Target is 45.	Target is 45.
	Data for 2003 are pending.	Data for 2003 are pending.	Data for 2003 are pending.	Data for 2003 are pending.	Data for 2003 are pending.	Data for 2003 are pending.

Source. Department of Education, Consolidated State Performance Reports.

Data Quality. States submit Consolidated State Performance Reports to the Office of Elementary and Secondary Education for review. Internal review standards guide review and reporting of data from these reports.

Related Information. Information on the Consolidated State Performance Reports can be obtained at http://www.ed.gov/admins/lead/account/consolidated/index.html#csp.

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Under NCLB, state targets must increase at least every 3 years for the next 12 years, when 100 percent of all students within all subgroups are expected to achieve proficiency. Therefore, although the targets listed above are stable, student achievement will actually need to improve steadily to meet these targets.

2.3.13 – 2.3.16 Percentage of 12th-grade public school students scoring at or above the *Proficient* and *Basic* levels on the NAEP reading assessment[11]

Fiscal Year	All Students		African American Students	
	Proficient	*Basic*	*Proficient*	*Basic*
2002	34	72	15	51
2003	///	///	///	///
	We did not meet our 2002 target of 39.	We did not meet our 2002 target of 76.	We did not meet our 2002 target of 17.	We did not meet our 2002 target of 57.

2.3.17 – 2.3.22 Percentage of 12th-grade public school students scoring at or above the *Proficient* and *Basic* levels on the NAEP reading assessment[11]

Fiscal Year	Hispanic Students		Students With Disabilities		Limited English Proficient Students	
	Proficient	*Basic*	*Proficient*	*Basic*	*Proficient*	*Basic*
2002	21	58	6	31	5	30
2003	///	///	///	///	///	///
	We did not meet our 2002 target of 24.	We did not meet our 2002 target of 61.	We did not meet our 2002 target of 8.	We met our 2002 target of 31.	We did not meet our 2002 target of 9.	We exceeded our 2002 target of 28.

Source. Department of Education, National Center for Education Statistics (NCES), National Assessment of Educational Progress (NAEP), The Nation's Report Card: Reading, 2002.

Data Quality. NAEP data are based on samples and are validated using rigorous NCES statistical standards; only significant differences are discussed in the NAEP reports. However, the differences between 2003 actual percents and target percents have not been tested for statistical significance. Small differences may not be statistically significant, especially for smaller subgroups.

NAEP results for students with disabilities represent results for a sample of students classified by their schools as having a disability. Results from this sample cannot be generalized to the total population of such students.

Related Information. The 2002 12th-grade reading assessment report is available at http://www.nces.ed.gov/nationsreportcard/.

Additional Information. The 12th-grade national NAEP reading assessment is scheduled to be given every four years; the most recent assessment was in 2002. The next assessment will be in 2005, a change in the every-four-years schedule caused by NCLB requirements.

The Department did not meet its 2002 target for 12th-grade NAEP reading scores; in fact, reading scores fell below levels seen in 1992 and 1998. NAEP scores for 4th graders, however, showed improvement, and as these cohorts of students move through the school system, NAEP scores for secondary students should begin to show improvement. The accountability requirements NCLB establishes for all high schools and the improvement strategies it directs low-performing, high-poverty schools to implement should also improve the academic performance of high school students in reading/language arts and mathematics.

[11] In addition to targets related to the 12th-grade NAEP reading assessment, our *2003 Annual Plan* set targets related to the 12th-grade NAEP mathematics assessment. In our Interim Adjustments to the *Strategic Plan*, submitted with our *FY 2004 Annual Plan*, we noted that the schedule for the NAEP 12th-grade mathematics assessment had changed, which eliminates that measure for 2003.

2.3.23 – 2.3.25	Percentage of 12th-grade students who took at least one Advanced Placement exam		
Fiscal Year	All Students Actual	African American Students Actual	Hispanic Students Actual
1999	11.7	3.4	6.4
2000	12.4	3.9	7.4
2001	13.2	4.1	8.1
2002	14.2	4.5	8.9
2003	**14.8**	**4.9**	**10.0**
	We made progress toward our 2003 target of 15.0.	We made progress toward our 2003 target of 5.0.	We met our 2003 target of 10.0.

2.3.26 – 2.3.29	Percentage of all 12th-grade students who scored 3 or higher on at least one Advanced Placement exam			
Fiscal Year	English	American History	Calculus	Science
1999	4.2	0.20	2.8	2.1
2000	4.5	0.27	2.9	2.3
2001	4.4	0.25	3.1	2.3
2002	4.8	0.29	3.4	2.6
2003	**4.8**	**0.26**	**3.5**	**2.7**
	We did not meet our 2003 target of 5.9.	We did not meet our 2003 target of 0.40.	We made progress toward our 2003 target of 4.4.	We made progress toward our 2003 target of 3.6.

Source. College Board, *Advanced Placement Program National Summary Reports*, 1999, 2000, 2001, 2002, and 2003.

Department of Education, National Center for Education Statistics (NCES), *Digest of Education Statistics*, 2002.

Department of Education, National Center for Education Statistics, Private School Universe Survey: 1999–2000. (See Table 10. Number and percentage distribution of private school students, by grade level and National Center for Education Statistics typology.)

Department of Education, National Center for Education Statistics, *Projections of Education Statistics to 2012*. (See Table 3. Enrollment in public elementary and secondary schools by grade.)

Data Quality. The College Board and NCES each validate data according to their own statistical standards. The Department calculates the Advanced Placement (AP) performance measures by using College Board AP reports as they are available on the College Board Web site and NCES enrollment data as they are available on the NCES Web site. Working from the publicly available data, the Department provides transparency in these data and allows them to be easily replicated. The baseline percentages provided in the *FY 2002–2003 Annual Plan* resulted from a series of special analyses done by the College Board for the Department.

AP participation indicators and achievement indicators are calculated by using data from the Advanced Placement Program National Summary Reports, 12th-grade candidates; the *Digest of Education Statistics*, 2001; and Private School Universe Survey: 1999–2000.

The numerator for determining the percentage of all 12th-grade U.S. students who took at least one AP exam is the total of all 12th-grade U.S. students, in both public and private school, who took at least one AP exam. The denominator is the total of all U.S. students, in both public and private school, enrolled in 12th grade for the year of the AP test.

The numerator for determining the percentage of all 12th-grade U.S. African American and Hispanic students who took at least one AP exam is the total of all 12th-grade U.S. African American students and Hispanic students, respectively, in both public and private school, who took at least one AP exam. The denominator is the total of all U.S. African American and

Hispanic students, respectively, in both public and private school, enrolled in 12th grade for the year of the AP test.

The formula for determining the percentage of all 12th-grade U.S. students who scored 3 or higher on the AP exams is the total number of the 12th-grade U.S. candidates who scored 3, 4, or 5 on the particular test divided by the U.S. enrollment for 12th-grade students, in both public and private school, during the school year of the test.

The numerator for both sets of indicators is obtained from the *Advanced Placement Program National Summary Reports, 12th Grade Candidates* (available on the College Board Web site). For the denominator, 12th-grade public school enrollment is obtained from the *Digest of Education Statistics*, 2001, and 12th-grade private school enrollment is obtained from the Private School Universe Survey: 1999–2000 (both available on the NCES Web site).

Public and private school enrollment figures for SY 1999–2000 are actual counts. Public school enrollment figures for the 1998–99, 2000–01, 2001–02, and 2002–03 school years are projected on the basis of actual counts, using data from *Projections of Education Statistics to 2012* (NCES). Private school enrollment figures are imputed by using the annual projected counts for the public schools and the ratio of actual public/private school enrollment (10.1:1) from SY 1999–2000 (we assume here that this ratio is constant). The annual projected count for the private school enrollment is given by

Private enrollment projection = 1/9.9 x Public enrollment projection

= 0.101 x Public enrollment projection.

African American and Hispanic student enrollment figures for SY 1999–2000 are actual counts. We estimated the 1998–99, 2000–01, 2001–02, and 2002–2003 public school enrollments for these subgroups on the basis of the percent distribution in 1999–2000, which was 17.2 percent African American and 15.6 percent Hispanic. We estimated the 1998–99, 2000–01, 2001–02, and 2002–03 private school enrollments on the basis of the percent distribution of African American and Hispanic students to total private school student enrollment in 1999–2000, which was 9.4 percent and 8.3 percent, respectively. In calculating the 1998–99, 2000–01, 2001–02, and 2002–03 figures, we assume the percentages are constant.

Related Information. *The Digest of Education Statistics* is available at http://nces.ed.gov/pubsearch/pubsinfo.asp?pubid=2003060.

The Private School Universe Survey: 1999–2000 is available at http://nces.ed.gov/pubsearch/pubsinfo.asp?pubid=2001330. (Publication #2001-330. See table 10 for enrollment statistics.)

The *Projections of Education Statistics to 2012* is available at http://nces.ed.gov/pubsearch/pubsinfo.asp?pubid=2002030. (Publication #2002–030. See table 3 for enrollment projections.)

Additional Information. The Department experienced mixed results in its efforts to meet targets for AP participation and achievement. We met our participation goals for Hispanic students and made progress in participation goals for all students and African American students. Since 1999, the Department's Advanced Placement Incentives Program has provided funds to states for the payment of AP test fees for low-income students. Appropriations for this program have continued to increase slightly over the years, and the fee payment is expected to continue to help increase participation in AP exams. Progress was made toward our AP achievement targets for Calculus and Science exams, but English and American History exam achievement targets were not met. AP achievement depends on more than AP participation because students are expected to draw from strong academic backgrounds in the subject areas of the AP exam. One year of participation in an AP class may not provide the depth of experience in a subject required by a rigorous AP exam. To improve the achievement of students on AP exams, the Department will continue to focus on Goal 2.3 activities designed to create a more rigorous academic curriculum for high school students.

2.3.30 Percentage of all 18–24-year-old students who have completed high school	
Fiscal Year	**Actual**
1999	85.9
2000	86.5
2001	86.5
2002	Target is 86.1.
2003	Target is 86.5.
Data for 2002 and 2003 are pending.	

2.3.31 Percentage of 18–24-year-old African American students who have completed high school	
Fiscal Year	**Actual**
1999	83.5
2000	83.7
2001	85.6
2002	Target is 84.0.
2003	Target is 84.5.
Data for 2002 and 2003 are pending.	

2.3.32 Percentage of 18–24-year-old Hispanic students who have completed high school	
Fiscal Year	**Actual**
1999	63.4
2000	64.1
2001	65.7
2002	Target is 64.0.
2003	Target is 66.0.
Data for 2002 and 2003 are pending.	

Source. U.S. Department of Commerce, Bureau of the Census, Current Population Survey, October 2000–01.

Department of Education, National Center for Education Statistics (NCES), *Dropout Rates in the United States* (2000–2001).

Data Quality. Data validated by Bureau of the Census review procedures and by NCES validation procedures.

Related Information. *Dropout Rates in the United States*—2000 is available at http://www.nces.ed.gov/pubsearch/pubsinfo.asp?pubid=2002114.

The Common Core of Data survey system of the NCES annually collects information about public school dropouts and completers from states that report dropouts. *Public High School Dropouts and Completers from the Common Core of Data: 2001* is available at http://nces.ed.gov/pubsearch/pubsinfo.asp?pubid=2002382.

Additional Information. Data for 2002 will be available in April 2004, and data for 2003 will be available in October 2005.

High school completion rates represent the proportion of 18–24-year-olds not currently enrolled in high school or below who have completed a high school diploma or an equivalent credential, including a General Educational Development (GED) credential. Completion rates rose slightly from the early 1970s to the late 1980s but have remained fairly constant during the 1990s.

Objective 3.1: Safe and Drug-Free Schools

3.1.1 Rate of violent crimes experienced at school by students ages 12–18[12]	
Fiscal Year	**Actual**
1999	33/1000
2000	26/1000
2001	**28/1000**
2002	Target is 24/1000.
2003	Target is 24/1000.
Data for 2002 and 2003 are pending.	

3.1.2 Rate of serious violent crimes experienced at school by students ages 12–18[13]	
Fiscal Year	**Actual**
1999	7/1000
2000	5/1000
2001	**6/1000**
2002	Target is 4/1000.
2003	Target is 4/1000.
Data for 2002 and 2003 are pending.	

Source. U.S. Departments of Education and Justice, *Indicators of School Crime and Safety*.

Data Quality. The primary source of new data that provides information on the experiences of victimization at school is the

[12] In our Interim Adjustments to the *Strategic Plan*, submitted with the *FY 2004 Annual Plan*, the Department modified the statement of this measure to use rates instead of counts.
[13] *Ibid.*

Indicators of School Crime and Safety report, which is released annually and includes a special analysis of the National Crime Victimization Survey (NCVS). The *Indicators of School Crime and Safety* report uses a variety of independent data sources from federal departments and agencies including the Census Bureau, the NCES, the Bureau of Justice Statistics, and the Centers for Disease Control and Prevention. Each agency uses its statistical procedures to validate the data. Survey estimates are derived from a stratified, multistage cluster sample of schools.

Related Information. Data from the school crime supplement to the NCVS are available at http://nces.ed.gov/pubs2002/quarterly/winter01/q3.asp.

The *Indicators of School Crime and Safety* report is available at http://www.nces.ed.gov/pubs2004/2004004.pdf.

Additional Information. Violent crime includes serious violent crime and simple assault. Serious violent crime includes rape, sexual assault, robbery, and aggravated assault. Most NCVS data are reported the year after collection, but in-school victimization data come from a special analysis with a delayed release. The most recent available data are for 2001, which were just recently released. Data for 2002 are expected in November 2004, and data for 2003 in November 2005.

3.1.3–3.1.7 Percentage of youth ages 12–17 who reported using the following substances in the past 30 days

Fiscal Year	Alcohol	Tobacco (Cigarettes)	Marijuana	Cocaine (Discontinued[14])	Heroin (Discontinued[15])
1999	16.5	14.9	7.2	0.5	0.2
2000	16.4	13.4	7.2	0.6	0.1
2001	17.3	13.0	8.0	0.4	0.0
2002	**17.6**	**15.2**	**8.2**	**0.6**	**0.0**
2003	Target is 12.2.	Target is 10.3.	Target is 5.3.[16]	Target is 0.37.	Target is 0.15.
	We did not meet our 2002 target of 13.2. Data for 2003 are pending.	We did not meet our 2002 target of 11.2. Data for 2003 are pending.	We did not meet our 2002 target of 5.8. Data for 2003 are pending.	We did not meet our 2002 target of 0.40. Data for 2003 are pending.	We exceeded our 2002 target of 0.16. Data for 2003 are pending.

Source. The Substance Abuse and Mental Health Services Administration (SAMHSA), The National Survey on Drug Use and Health (formerly called the National Household Survey on Drug Abuse).

Data Quality. National Survey on Drug Use and Health data are validated by SAMHSA. Data are updated annually. The project interviews approximately 70,000 people age 12 years or older, in every state, over a 12-month period. Because of the size of the sample, it is possible to make relatively precise estimates of many variables of major interest.

Related Information. Data from the National Survey on Drug Use and Health are available on the Web at http://www.samhsa.gov/oas/nhsda.htm.

Additional Information. The Department's Office of Safe and Drug-Free Schools is targeting its efforts toward improving these outcomes. FY 2003 data are expected in September 2004. The variable for "Marijuana" is now listed in the survey as "Marijuana and Hashish."

[14] In our Interim Adjustments to the *Strategic Plan*, submitted with the *FY 2004 Annual Plan*, the Department discontinued this measure effective FY 2004. We provide the required information here, but do not discuss this measure in the Performance Details Section.
[15] *Ibid.*
[16] In our Interim Adjustments to the *Strategic Plan*, submitted with the *FY 2004 Annual Plan*, the Department modified this target based on trend data. However, we provide the required comparison here based on the target set in our *2003 Annual Plan*.

3.1.8 Percentage of high school students who report any alcohol use on school property in the previous 30 days	
Fiscal Year	**Actual**
1999	5
2000	///
2001	**5**
2002	///
2003	Target is 5.
Data for 2003 are pending.	

3.1.9 Percentage of high school students who report any cigarette use on school property in the previous 30 days	
Fiscal Year	**Actual**
1999	14
2000	///
2001	**9.9**
2002	///
2003	Target is 14.
Data for 2003 are pending.	

3.1.10 Percentage of high school students who report any marijuana use on school property in the previous 30 days	
Fiscal Year	**Actual**
1999	7.2
2000	///
2001	**5.4**
2002	///
2003	Target is 7.
Data for 2003 are pending.	

3.1.11 Percentage of high school students who report being offered, sold, or given an illegal drug on school property in the previous 12 months	
Fiscal Year	**Actual**
2001	**30**
2002	///
2003	Target is 29.
Data for 2003 are pending.	

Source. Centers for Disease Control (CDC), Youth Risk Behavior Surveillance System (YRBSS).

Data Quality. YRBSS surveys students about issues associated with youth morbidity and mortality, including violence and drug and alcohol use. The system includes national, state, and local school-based surveys of students. The national survey, conducted for the CDC, provides data from a nationally representative sample of high school students in public and private schools in the United States.

Related Information. Data from the YRBSS are available at http://www.cdc.gov/nccdphp/dash/yrbs.

Additional Information. Actual data values for 1999 were adjusted from the *Strategic Plan* 2002–2007 to match the year reported to the year in which data were collected—baseline data in the *Strategic Plan* were for 1999, not 2001. Data for 2001 shown above are new data, but we did not have targets for 2001. Data are collected biennially, usually during the spring semester, and are analyzed and reported on the year following collection. Data for FY 2003 are expected in September 2004.

Objective 3.2: Character and Citizenship

3.2.1 Percentage of students in grade 12 who participated in community service or volunteer work[17]	
Fiscal Year	**Actual**
1999	75.3
2000	75.2
2001	77.4
2002	---
2003	Target is 81.
Data are unavailable and not expected.	

Source. University of Michigan, Survey Research Center, Monitoring the Future.

Data Quality. Monitoring the Future is a repeated series of surveys in which segments of the population (8th, 10th, and 12th graders) are presented with the same set of questions over a period of years to see how answers change over time. Data were collected from students during the spring of each year; however, data for this measure will not be collected in 2003 or thereafter. Further, there is no other source that provides these data. Therefore, the Department plans to discontinue this measure.

Related Information. Information about Monitoring the Future is available at: http://www.monitoringthefuture.org/.

[17] In our Interim Adjustments to the *Strategic Plan*, submitted with the *FY 2004 Annual Plan*, the Department modified grade-level coverage of this measure because of a change in data source availability and modified the target accordingly.

3.2.2 Percentage of 14- to 18-year-olds who believe cheating occurs by half or most students	
Fiscal Year	**Actual**
1999	43
2000	41
2001	///
2002	---
2003	**50**
We did not meet our 2003 target of 39.	

Source. The Horatio Alger Association, State of Our Nation's Youth Survey.

Data Quality. On the basis of a telephone survey of about 1,003 students across the country, about 505 geographic points were selected randomly and proportionate to the population of each region and, within each region, by size of place. Individuals were selected in accordance with a probability sample design that gives all telephone numbers an equal chance to be included. The data's statistical margin of sampling error is +/–3.1 percentage points. Minimal weights were applied to sex and year in school.

Related Information. Information on this survey may be obtained from the Horatio Alger Association at 703-684-9444 or is available at http://www.horatioalger.com/.

Additional Information. The survey question on cheating was not asked in 2001 or 2002. Data may not be comparable to previous years because the question and response options were changed for the 2003 survey. Previous measures aggregated data about students who *believe* that cheating occurs in either no or few students or in half or most students. The 2003 measure asked respondents from what they *know*, what proportion of students cheat using the following categories: just a few, about 25 percent, about half, about 75 percent, near all, or not sure. The figure reported is the aggregate of the responses for about half, about 75 percent, and nearly all categories. Targets for 2003 are no longer valid due to the question change on the 2003 survey. Actual data from 2003 will be used to set new targets for future years.

3.2.3 (New[18]) The percentage of students in grade 12 who would dislike it if a student intentionally did things to make his/her teachers angry	
Fiscal Year	**Actual**
1999	33.6
2000	32.1
2001	30.6
2002	Pending; no target[19]
2003	Target is 34.
Data for 2003 are pending.	

3.2.4 (New[20]) The percentage of students who think that most students in their classes would dislike it if a student cheated on a test	
Fiscal Year	**Actual**
1999	14.8
2000	12.2
2001	13.5
2002	Pending; no target[21]
2003	Target is 17.
Data for 2003 are pending.	

Source. University of Michigan, Survey Research Center, Monitoring the Future.

Data Quality. This project is a repeated series of surveys in which segments of the population (8th, 10th, and 12th graders) are presented with the same set of questions over a period of years to see how answers change over time. Data are collected from students during the spring of each year. Each year's data collection takes place in approximately 420 public and private high schools and middle schools selected to provide an accurate representative cross section of students throughout the contiguous United States.

Related Information. Information about Monitoring the Future is available at http://www.monitoringthefuture.org/.

Additional Information. Monitoring the Future, begun in 1975, has many purposes, including studying changes in the beliefs, attitudes, and behavior of young people in the United States. Data for FY 2003 will be available in December 2003.

[18] The Department added this measure in our Interim Adjustments to the *Strategic Plan*, submitted with our *FY 2004 Annual Plan*.
[19] This measure was first established for FY 2003.
[20] The Department added this measure in our Interim Adjustments to the *Strategic Plan*, submitted with our *FY 2004 Annual Plan*.
[21] This measure was first established for FY 2003.

Objective 4.1: Education as an Evidence-Based Field[22]

4.1.1 Percentage of new IES and OSEP research and evaluation projects funded by the Department that are deemed to be of high quality by an independent review panel of qualified scientists

Fiscal Year	Actual
2001	40
2002	53
2003	**66**
We made progress toward our 2003 target of 90.	

4.1.2 Percentage of new IES and OSEP research and evaluation publications that are deemed to be of high quality by an independent review panel of qualified scientists

Fiscal Year	Actual
2001	0
2002	100
2003	**Not applicable**
There were no 2003 publications to review.	

Source. Department of Education, Institute of Education Sciences (IES), Independent external review panels.

Data Quality. Review panels composed of senior scientists with expertise in various content areas evaluated a random sample of newly funded proposals for IES and OSEP (Office of Special Education Programs) projects. Reviews are standardized using criteria developed by IES.

Additional Information. Independent review panels convened by the Department to evaluate the quality of new projects and publications are independent of peer review panels that oversee the selection of projects. These panels are convened after the close of the fiscal year to review projects and publications of the prior year.

4.1.3 Of new IES and OSEP research and evaluation projects that address causal questions, the percentage that employ randomized experimental designs

Fiscal Year	Actual
2001	46
2002	78
2003	**94**
We exceeded our 2003 target of 71.	

4.1.4 Of new IES and OSEP research and evaluation publications that address causal questions, the percentage that describe studies that employ randomized experimental designs

Fiscal Year	Actual
2001	0
2002	100
2003	**Not applicable**
There were no 2003 publications to review.	

Source. Department of Education, Institute of Education Sciences.

Data Quality. Research staff evaluate all newly funded research proposals. Quality review standards were developed by IES. Each product and proposal is reviewed to determine if the project includes questions of effectiveness (i.e., causal questions) and, if so, whether the project employs randomized experimental designs. Inter-rater reliability checks are completed to ensure the reliability of the data.

Additional Information. Presence of a causal question is defined as a study in which one variable is hypothesized to affect a second variable.

A randomized experimental design is defined as instances in which there is an experimental treatment group and one or more comparison groups with random assignment of participants to treatment or comparison conditions. If a proposal or publication included a design in which two or more groups of participants were compared but did not explicitly indicate that random assignment procedures would be used, the proposal was recorded as not using a randomized experimental design.

[22] In our Interim Adjustments to the *Strategic Plan*, submitted with our *FY 2004 Annual Plan*, the Department modified the measure statements of this objective for clarity.

Objective 4.2: Relevance of Research

4.2.1 Percentage of new research projects funded by the Department that are deemed to be of high relevance to educational practice as determined by an independent review panel of qualified practitioners	
Fiscal Year	**Actual**
2001	24
2002	53[23]
2003	Target is 54.
Data for 2003 are pending.	

Source. Department of Education, Institute of Education Sciences, Panel Reviews.

Data Quality. An external panel of qualified practitioners evaluated the relevance of a random sample of newly funded research proposals submitted in 2003. The inclusion of only experienced practitioners and administrators in education and special education on the panel promotes the quality of the data.

Additional Information. Data for 2003 are expected to be available in November 2003. The independent review panel referenced here is different from the peer review panels that oversee the selection of projects. The panel was convened at the close of the fiscal year to review projects and publications as a way to judge the effectiveness of the Department's quality control mechanisms.

4.2.2 Number of hits on the What Works Clearinghouse Web site[24]	
Fiscal Year	**Actual**
2002	---
2003	**1,522,922**
We exceeded our 2003 target of 1,000,000.[25]	

Source. Department of Education, Institute of Education Sciences, What Works Clearinghouse Web site.

Data Quality. Automated Web software enables an accurate count of Web hits, exact items receiving the greatest number of hits, and time intervals of Web visits.

Related information. Additional information on the What Works Clearinghouse is available at http://w-w-c.org/ or call 301-519-5444.

Additional Information. The What Works Clearinghouse Web site was created in October 2002.

4.2.3 Percentage of K–16 policy makers and administrators who report routinely considering evidence of effectiveness before adopting educational products and approaches	
Fiscal Year	**Actual**
2002	42
2003	---
Data for 2003 are unavailable and not expected.	

4.2.4 (Discontinued[26]) Percentage of K–16 policy makers and administrators who report that they use research products of the Department in policy-making decisions	
Fiscal Year	**Actual**
2002	41
2003	---
Data for 2003 are unavailable and not expected.	

Source. Department of Education, Institute of Education Sciences, The Decision Maker Survey, 2002.

Data Quality. The sample for the Decision Maker Survey included individuals across levels in the decision- and policy-making process—district and state level decision-makers for K–12 and higher education, state and national policymakers, and leaders of national associations of education. The decision-makers were distributed across high-, low-, and average-achieving districts and states, across urban and rural areas, and across all regions of the country.

Small sample size, however, limited the reliability of the data. Additionally, it became clear that the individuals surveyed could indicate whether they used research products in their policy-making decisions but did not know whether the Department was the source of those research products.

Additional Information. Although the Department set a target for 2003, it was later determined that the next Decision

[23] This value is corrected from the *FY 2002 Performance and Accountability Report*. The status is unchanged.
[24] In our Interim Adjustments to the *Strategic Plan*, submitted with our *FY 2004 Annual Plan*, the Department moved this measure from Goal 4 to Goal 1.
[25] In our *2003 Annual Plan*, the 2003 target was stated as twice the baseline as set in 2002. In our Interim Adjustments to the *Strategic Plan*, submitted with our *FY 2004 Annual Plan*, the Department modified this target to a numerical value because a baseline was not set in 2002.
[26] In our Interim Adjustments to the *Strategic Plan*, submitted with our *FY 2004 Annual Plan*, the Department discontinued this measure effective FY 2004.

Maker Survey will be conducted in 2005 and that the identification of using Department materials will not be included. Thus measure 4.2.3 will be next reported in FY 2005, and measure 4.2.4 has been discontinued effective FY 2004.

Objective 5.1: College Access and Completion

5.1.1–5.1.4 Percentage of 16–24-year-old high school graduates enrolled in college the October following graduation

Fiscal Year	Overall	White	Black	White-Black Gap
1999	62.9	66.3	58.9	7.4
2000	63.3	65.7	54.9	10.8
2001	61.7	64.2	54.6	9.6
2002	Target is 63.8.	Target is 66.9.	Target is 59.6.	Target is 7.3.
2003	Target is 64.1.	Target is 67.0.	Target is 60.3.	Target is 6.7.
	Data for 2002 and 2003 are pending.			

5.1.5–5.1.9 Percentage of 16–24-year-old high school graduates enrolled in college the October following graduation

Fiscal Year	Hispanic	White-Hispanic Gap	Low Income	High Income	Income Gap
1999	42.2	24.1	49.4	76.0	26.6
2000	52.9	12.8	49.7	77.1	27.4
2001	51.7	12.5	43.8	79.8	36.0
2002	Target is 50.0.	Target is 16.9.	Target is 51.5.	Target is 76.9.	Target is 25.4.
2003	Target is 51.5.	Target is 15.5.	Target is 53.5.	Target is 77.0.	Target is 23.5.
	Data for 2002 and 2003 are pending.				

Source. Census Bureau, Current Population Survey, October 2001, released in December 2002.

Data Quality. Information includes those ages 16–24 completing high school in a given year. Actual values are one-year averages calculated from the Current Population Survey. Data are subject to both Census and NCES validation procedures.

Related Information. The Department of Education's *Condition of Education* is available at http://nces.ed.gov/pubsearch/pubsinfo.asp?pubid=2003067.

Additional Information. FY 2002 data will be reported in late December 2003. FY 2003 data will be reported in late December 2004.

5.1.10–5.1.15 National percentage of full-time, bachelor degree-seeking students who graduate from four-year institutions within six years						
Fiscal Year	**Overall**	**White**	**Black**	**White-Black Gap**	**Hispanic**	**White-Hispanic Gap**
1999	53.0	56.0	35.4	20.6	40.9	15.1
2000	52.4	55.4	35.7	19.7	41.5	13.9
2001	Pending; no target[28]	Pending; no target	Pending; no target	Pending; no target	Pending; no target	Pending; no target
2002	Target is 52.7.	Target is 56.0.	Target is 37.0.	Target is 19.0.	Target is 41.0.	Target is 15.0.
2003	Target is 53.1.	Target is 56.1.	Target is 38.9.	Target is 17.2.	Target is 42.5.	Target is 13.6.
	Data for 2002 and 2003 are pending.					

5.1.16–5.1.21 Percentage of full-time, degree- or certificate-seeking students at two-year institutions who graduate, earn a certificate, or transfer from a two-year school within three years[27]						
Fiscal Year	**Overall**	**White**	**Black**	**White-Black Gap**	**Hispanic**	**White-Hispanic Gap**
1999	34.4	35.3	29.5	5.8	32.5	2.8
2000	32.7	34.0	26.5	7.5	30.1	3.9
2001	Pending; no target[28]	Pending; no target	Pending; no target	Pending; no target	Pending; no target	Pending; no target
2002	Target is 32.5.	Target is 34.0.	Target is 26.3.	Target is 7.7.	Target is 30.5.	Target is 3.5.
2003	Target is 32.7.	Target is 34.1.	Target is 27.0.	Target is 7.1.	Target is 30.8.	Target is 3.3.
	Data for 2002 and 2003 are pending.					

Source. Department of Education, NCES, Graduation Rate Survey (GRS), part of the Integrated Postsecondary Education Data System (IPEDS).

Data Quality. Data are subject to NCES validation procedures. Years represent rates of graduation for graduating cohort. For example, the percentage of the 1994 cohort that graduated from a four-year institution by 2000 is reported in 2000; the percent of the 1997 cohort that graduated, earned a certificate, or transferred from a two-year institution by 2000 is reported in 2000.

Although the survey can provide information on whether the students transferred from a two-year school, the data do not distinguish the students who transferred to a four-year school from those who transferred to another two-year school. The reported numbers reflect any student who successfully transferred out of the school within three years.

Related Information. NCES's postsecondary survey site (including IPEDS) is available at http://nces.ed.gov/surveys/SurveyGroups.asp?Group=2.

Additional Information. Both FY 2001 data and FY 2002 data will be reported in February 2004. FY 2003 data will be reported in November 2004.

Note: FY 2002 is the initial year for which the GRS is mandated. As soon as the 2002 data analysis and release are completed, work will proceed on the 2001 data.

[27] In our Interim Adjustments to the *Strategic Plan*, submitted with our *FY 2004 Annual Plan*, the Department slightly modified this measure to correctly reflect the available data; students who transfer from a two-year institution may transfer to a four-year or another two-year institution.
[28] Because our *Strategic Plan* was developed and published in FY 2002, we do not have targets for 2001.

5.1.22–5.1.25 (Discontinued[29])Percentage of parents of students in middle school who talked with a counselor about the availability of financial aid for postsecondary study[30]

Fiscal Year	Overall	Low Income	High Income	Income Gap
1999	27	23	30	7
2000	///	///	///	///
2001	///	///	///	///
2002	///	///	///	///
2003	---	---	---	---
	Data are unavailable and not expected.			

5.1.26–5.1.29 (Discontinued[31]) Percentage of parents of students in high school who talked with a counselor about the availability of financial aid for postsecondary study[32]

Fiscal Year	Overall	Low Income	High Income	Income Gap
1999	48	39	52	13
2000	///	///	///	///
2001	///	///	///	///
2002	///	///	///	///
2003	---	---	---	---
	Data are unavailable and not expected.			

5.1.30–5.1.33 (Discontinued[33]) Percentage of parents of students in middle school who talked with a counselor about the academic requirements for postsecondary study[34]

Fiscal Year	Overall	Low Income	High Income	Income Gap
1999	10	8	12	4
2000	///	///	///	///
2001	///	///	///	///
2002	///	///	///	///
2003	---	---	---	---
	Data are unavailable and not expected.			

[29] In our Interim Adjustments to the *Strategic Plan*, submitted with the *FY 2004 Annual Plan*, the Department discontinued these measures effective FY 2004. We provide the required information here, but do not discuss the measure in the Performance Details Section.
[30] Our *Strategic Plan* set 2003 targets for these measures. Our *2003 Annual Plan* inadvertently identified the 2003 targets as 2002 targets.
[31] In our Interim Adjustments to the *Strategic Plan*, submitted with the *FY 2004 Annual Plan*, the Department discontinued these measures effective FY 2004. We provide the required information here, but do not discuss the measure in the Performance Details Section.
[32] Our *Strategic Plan* set 2003 targets for these measures. Our *2003 Annual Plan* inadvertently identified the 2003 targets as 2002 targets.
[33] In our Interim Adjustments to the *Strategic Plan*, submitted with the *FY 2004 Annual Plan*, the Department discontinued these measures effective FY 2004. We provide the required information here, but do not discuss the measure in the Performance Details Section.
[34] Our *Strategic Plan* set 2003 targets for these measures. Our *2003 Annual Plan* inadvertently identified the 2003 targets as 2002 targets.

5.1.34–5.1.37 (Discontinued[35]) Percentage of parents of students in high school who talked with a counselor about the academic requirements for postsecondary study[36]				
Fiscal Year	**Overall**	**Low Income**	**High Income**	**Income Gap**
1999	38	28	48	20
2000	///	///	///	///
2001	///	///	///	///
2002	///	///	///	///
2003	---	---	---	---
	Data are unavailable and not expected.			

Source. Department of Education, National Center for Education Statistics (NCES), National Household Education Survey (NHES), conducted in 1999 and reported in May 2001.

Data Quality. This survey no longer asks questions that provide data for the above measures, and there is no other source for the data. These measures have not been reported since 1999.

Related Information. Further information about the NHES survey is available at http://nces.ed.gov/nhes/.

Additional Information. The survey has introduced new, similar questions in its family awareness section. Accordingly, new measures with a similar purpose have been developed and included in the Department's *FY 2004 Annual Plan*, and these measures have been discontinued effective FY 2004.

Objective 5.2: Accountability of Postsecondary Institutions

5.2.1 Percentage of states and territories submitting Title II reports with all data reported using federally required definitions	
Fiscal Year	**Actual**
2001	63
2002	80
2003	Target is 100.
Data for 2003 are pending.	

Source. Title II Data System, National Center for Education Statistics (NCES).

Data Quality. Data are reported by the institutions and are subject to NCES verification and validation. In anticipation of the reauthorization of the Higher Education Act, the Office of Postsecondary Education (OPE) prepared a report that identified weaknesses in Title II reporting and proposed possible changes to address them. A review of state reports suggests that states continue to have problems using the federal definition of waivers in reporting on teacher characteristics. Therefore, the Department may have difficulty in achieving our FY 2003 target of 100 percent.

Additional Information. Data for FY 2003 will be available in April 2004.

5.2.2 (Discontinued[37]) Percentage of states with comprehensive reporting systems for colleges and universities that include student retention data and graduation rates for four-year degree seekers after four, five, and six years; graduation rates for two-year degree and certificate seekers after two and three years; and transfer rates for students at two-year and four-year institutions, disaggregated by student demographic factors such as race, gender, ethnicity, disability, and federal aid versus nonfederal aid recipient	
Fiscal Year	**Actual**
2001	0
2002	0
2003	**0**
We did not meet our 2003 target of 60.	

Source. Department of Education, National Center for Education Statistics (NCES), Integrated Postsecondary Education Data System (IPEDS).

[35] In our Interim Adjustments to the *Strategic Plan*, submitted with the *FY 2004 Annual Plan*, the Department discontinued these measures effective FY 2004. We provide the required information here, but do not discuss the measure in the Performance Details Section.
[36] Our *Strategic Plan* set 2003 targets for these measures. Our *2003 Annual Plan* inadvertently identified the 2003 targets as 2002 targets.
[37] In our Interim Adjustments to the *Strategic Plan*, submitted with the *FY 2004 Annual Plan*, the Department discontinued this measure effective FY 2004.

Data Quality. IPEDS data are reported by the institutions and are validated by NCES.

Related Information. IPEDS is available at http://nces.ed.gov/ipeds.

Additional Information. Successfully meeting this objective will require the cooperation of the postsecondary community, the states, and the Congress. OPE is participating in a series of panel meetings to discuss the institutional reporting system. We are seeking the advice and input of the panel about the additional reporting requirements needed to achieve the objective of this performance measure. Also, OPE and the National Postsecondary Education Cooperative (NPEC) are looking into definitional issues related to persistence, degree completion, and job placement to further refine the appropriate approaches for supporting state-level efforts.

However, to date, states have not modified their data collection and reporting systems to be able to report student persistence and completion with the necessary levels of disaggregation and with the required multiple time frames. It is unlikely that states will make the necessary changes to comply with the requirements of this measure. Therefore, the Department discontinued this measure effective FY 2004.

Objective 5.3: Funding Postsecondary Education

5.3.1 Average national increases in college tuition, adjusted for inflation

Fiscal Year	Actual
1999	5.4%
2000	4.5%
2001	3.1%
2002	6.4%
2003	Target is 3.0%.
Data for 2003 are pending.	

Source. Department of Education, National Center for Education Statistics (NCES), Integrated Postsecondary Education Data System, Fall Enrollment Survey and Institutional Characteristics Survey.

Data Quality. Survey data are for the entire academic year and are average charges paid by students. Tuition and fees were weighted by the number of full-time-equivalent undergraduates but were not adjusted to reflect student residency. The data have not been adjusted for changes in the purchasing power of the dollar over time.

Related Information. College Board statistics on increases in tuition costs are available at http://www.collegeboard.com/press/cost02/html/cost02a.html.

Additional Information. The College Board recently reported that from the 2001–02 school year to the 2002–03 school year, tuition and fees increased by 5.8 percent at four-year private institutions (average $18,273) and by 9.6 percent at four-year public institutions (average $4,081), the largest increase in a decade (see additional information on the Web site for the College Board report). Despite the rising tuition and fees, the College Board report stressed that over the last decade, tuition growth at four-year colleges and universities was less than 40 percent, after adjusting for changes in consumer prices—much lower than the increase of about 60 percent during the preceding decade.

Department data on tuition and fees for 2003, which are used to determine our performance on this measure, are expected in December 2003.

5.3.2 Unmet need as percentage of cost of attendance for low-income dependent students

Fiscal Year	Actual
2000	43.1
2001	///
2002	---
2003	---
Data are unavailable and not expected.	

5.3.3 Unmet need as percentage of cost of attendance for low-income independent students with children

Fiscal Year	Actual
2000	60.6
2001	///
2002	---
2003	---
Data are unavailable and not expected.	

5.3.4 Unmet need as percentage of cost of attendance for low-income independent students without children[38]	
Fiscal Year	**Actual**
2000	46.2
2001	///
2002	---
2003	---
Data are unavailable and not expected.	

Source. The National Postsecondary Student Aid Survey (NPSAS) released as *Student Financing of Undergraduate Education: 1999–2000*, June 2002.

Data Quality: NPSAS data are available in intervals of four years. Data are subject to NCES verification and validation.

Related Information. NPSAS information is available at http://nces.ed.gov/surveys/npsas/.

Additional Information. For the following reasons, data on these measures will not be reported for 2002 and 2003:

- The NPSAS, the source for this measure, is available only every four years.
- The measurement is derived from students who receive aid; therefore, it is unclear what impact the "unmet need" is having on access.
- Unmet need can most effectively be reduced by appropriating more funding for student aid and, therefore, mirrors levels of student aid appropriations.

The Department plans to discontinue these measures effective FY 2005.

5.3.5 Borrower indebtedness (expressed as average borrower payments) for federal student loans as a percentage of borrower income[39]	
Fiscal Year	**Actual**
1999	6.5
2000	6.4
2001	///[40]
2002	---
2003	---
Data are unavailable and not expected.	

Source. Department of Education, National Student Loan Data System (NSLDS) records merged with income data from the Internal Revenue Service (IRS) (analysis conducted by the Department's Policy and Program Studies Service).

Data Quality. IRS data are validated by the Department of the Treasury and NSLDS data are validated by Office of Federal Student Aid (FSA) and the reporting state agencies.

Related Information. Information on student aid as compiled by the College Board is available at http://www.collegeboard.com/press/cost02/html/cost02b.html.

Additional Information. Data for 2001 will be available December 2003.

In prior years, the banking community used this measure as a barometer for what constituted an acceptable level of debt and the Department used this measure as well. In recent years, however, the banking community has embraced "credit scoring." We no longer have a meaningful benchmark to assess a reasonable debt ratio. Thus, we plan to discontinue this measure effective FY 2005.

Objective 5.4: HBCUs, HSIs, and TCUs

5.4.1 Percentage of HBCUs, HSIs, and TCUs with a positive fiscal balance	
Fiscal Year	**Actual**
2000	67
2001	71
2002	**69**
2003	Target is 79.
We did not meet our 2002 target of 74. Data for 2003 are pending.	

Source. Department of Education, National Center for Education Statistics (NCES), Integrated Postsecondary Education Data System (IPEDS).

Data Quality. Data are self-reported from institutions and estimate the total universe in this measure. Nearly all Historically Black Colleges and Universities (HBCUs), Hispanic-Serving Institutions (HSIs), and Tribal Colleges and

[38] Baseline data for 2000 provided in our *Strategic Plan* were erroneously reported as 64.2 percent. The correct value is 46.2 percent. In our Interim Adjustments to the *Strategic Plan*, submitted with our *FY 2004 Annual Plan*, we modified the targets to reflect the original intent to reduce the percentage by 1 percent per year.
[39] In our Interim Adjustments to the *Strategic Plan*, submitted with our *FY 2004 Annual Plan*, the Department modified this measure statement for clarity.
[40] Because our *Strategic Plan* was developed and published in FY 2002, we did not have a target for 2001.

Universities (TCUs) participate in the IPEDS Financial Report and are, therefore, represented by the data. An institution's status as an HSI is determined by Hispanic and low-income student enrollment, which can fluctuate from year to year and cannot be exactly determined from IPEDS enrollment data. However, a reasonable approximation can be based on the IPEDS enrollment data.

Related Information. Information on the White House Initiative on Historically Black Colleges and Universities is available at http://www.ed.gov/about/inits/list/whhbcu/edlite-index.html.

Information on the White House Initiative on Educational Excellence for Hispanic Americans is available at http://www.yesican.gov/.

The NCES report *Hispanic Serving Institutions Statistical Trends 1990–1999* is available at http://nces.ed.gov/pubs2002/2002051.pdf.

Information on the White House Initiative on Tribal Colleges and Universities is available at http://www.ed.gov/about/inits/list/whtc/edlite-tclist.html.

IPEDS description and data are available at http://nces.ed.gov/ipeds/.

Additional Information. Data from IPEDS is collected annually by NCES. Data for FY 2003 will be available in September 2004.

Our status on this measure reflects the economy. The President's economic recovery plan is expected to help more of these institutions achieve a positive fiscal balance. The financial situation of a school is largely related to the financial situation of its graduates, who would make donations to the school.

5.4.2 Percentage of HBCUs, HSIs, and TCUs with evidence of increased technological capacity (such as wireless systems, high speed Internet connections, distance learning programs, or other evidence of technological innovation)

Fiscal Year	Actual
2002	---
2003	---
Data are unavailable and not expected.	

Data Quality. The Department intended to obtain data from OPE's Annual Performance Report. However we determined that the information obtained from this report was not adequately aligned with this measure.

Related Information. Information on the White House Initiative on Historically Black Colleges and Universities is available at http://www.ed.gov/about/inits/list/whhbcu/edlite-index.html.

Information on the White House Initiative on Educational Excellence for Hispanic Americans is available at http://www.yesican.gov/.

The NCES report *Hispanic Serving Institutions Statistical Trends 1990–1999* is available at http://nces.ed.gov/pubs2002/2002051.pdf.

Information on the White House Initiative on Tribal Colleges and Universities is available at http://www.ed.gov/about/inits/list/whtc/edlite-tclist.html.

Additional Information. Because there is no viable data source, the Department plans to discontinue this measure effective FY 2005.

Objective 5.5: Literacy and Employment Of American Adults

5.5.1 Percentage of all persons served by state vocational rehabilitation (VR) agencies who obtain employment

Fiscal Year	Actual
1999	62.5
2000	62.5
2001	60.7
2002	60.2
2003	Target is 63.5.
We did not meet our 2002 target of 63.0. Data for 2003 are pending.	

Source. Department of Education, RSA-113 Quarterly Cumulative Caseload Report.

Data Quality. Data for this measure are derived from the RSA–113, the Quarterly Cumulative Caseload Report. This report is submitted by the 80 state vocational rehabilitation

agencies to the Rehabilitation Services Administration (RSA) on a quarterly basis, with the fourth-quarter report containing cumulative data for the entire year. Data are validated first by RSA regional office staff for accuracy and reasonableness and then by Department staff at headquarters who perform additional edits. RSA's management information system, which was recently implemented, will automate much of this editing process. This information is cross-checked against information that state Vocational Rehabilitation (VR) agencies provide to RSA from the RSA–911, a report on individuals closed out of the VR program in a given fiscal year. The agreement between the summary report (the RSA–113) and the individual case report (RSA–911) is determined and resolved before databases are considered final. If RSA identifies systematic problems through the edit process, state agencies are required to correct any data submission problems. The 2001 actual data value has been corrected to reflect corrections submitted to RSA by state agencies.

Related Information. VR publications and reports are available at http://www.ed.gov/about/offices/list/osers/rsa/products.html.

Additional Information. This measure identifies the rate at which individuals with disabilities benefit from VR services in terms of employment. In recent years, because of a statutory mandate, the program has been refocused to serve increasingly larger numbers of individuals with significant disabilities who require more extensive services over an extended period of time. Performance on this measure increased gradually until FY 2001. However, in FY 2001, the percentage began to decrease. This decrease is believed to be due to the weak economy and the fact that individuals placed in extended employment are no longer considered to have achieved an employment outcome under this program. Because of these factors, performance on this measure is not expected to increase significantly. Data for 2003 are expected in April 2004.

Objective 6.1: Financial Integrity and Management and Internal Controls

6.1.1 Achievement of an unqualified audit opinion

Fiscal Year	Actual
1999	Qualified
2000	Qualified
2001	Qualified
2002	Unqualified
2003	**Unqualified**
We met our 2003 target of an unqualified audit opinion.	

Source. Independent Auditors' FY 2003 Financial Statement and Audit Report.

Data Quality. Independent auditors follow professional standards and conduct the audit under the oversight of the Office of Inspector General. There are no data limitations.

Related Information. The *FY 2002 Performance and Accountability Report* is available at http://www.ed.gov/about/reports/annual/2002report/index.html.

The *FY 2003 Performance and Accountability Report* is available at http://www.ed.gov/about/reports/annual/2003report/index.html.

Additional Information. The Department received our second consecutive clean opinion for FY 2003. The clean opinion was a crucial milestone in the Department's efforts toward creating a permanent culture of accountability.

6.1.2 Financial management grade received on "report card" by the Subcommittee on Government Efficiency, Financial Management and Intergovernmental Relations

Fiscal Year	Actual
1999	D-
2000	D-
2001	D-
2002	---
2003	---
Data are unavailable and not expected.	

Source. Subcommittee on Government Efficiency, Financial Management and Intergovernmental Relations of the House Committee on Government Reform.

Data Quality. The Subcommittee on Government Efficiency, Financial Management and Intergovernmental Relations issued a "Report Card" grade based on published criteria. There are no data limitations.

Related Information. Information about the House Committee on Government Reform is available at http://www.house.gov/reform/gefmir/.

Additional Information. The Subcommittee on Government Efficiency, Financial Management and Intergovernmental Relations is no longer issuing a report card on financial management. The last report card issued by the subcommittee was for FY 2001. The Department plans to discontinue this measure effective FY 2005. However, the Department continues to focus on and is making progress in financial management.

6.1.3 Number of audit recommendations from prior year financial statement audits remaining open

Fiscal Year	Actual
1999	48
2000	18
2001	19
2002	8
2003	**3**
We exceeded our 2003 target of 7.	

Source. Department of Education, Audit Accountability and Resolution Tracking System.

Data Quality. Data are drawn from the electronic system identified above. Managers with responsibility for the affected areas provide updates to the status of all open audit recommendations in this system. When the corrective actions have been implemented and the manager determines that the recommendation has been completed, the Office of the Chief Financial Officer makes a final determination that the recommendation can be closed.

Additional Information. The Department has made a concerted effort over the last several years to implement audit recommendations from prior year financial statement audits to improve financial management and obtain a clean audit opinion. The Department closed 181 of the 184 prior year audit recommendations dating back to the FY 1995 audit; 15 of the recommendations were closed during FY 2003.

Examples of significant achievements resulting from closure of the audit recommendations include the following:

- Applied standard methodologies to perform timely (within 30 days of month-end) reconciliations of significant program accounts.
- Developed procedures regarding the resolution of unmatched schedules within Fund Balance with Treasury.
- Reconciled the Budget Clearing and Suspense Accounts on a timely basis.
- Enhanced data mining activities (an analysis of existing data to identify patterns) and developed other approaches to search for duplicate and potential improper payments.
- Developed a plan for meeting accelerated time schedule for producing interim and year-end financial statements.
- Improved financial reporting related to credit reform.

6.1.4 Number/percentage of performance-based contract actions

Fiscal Year	Actual
1999	72
2000	110
2001	414
2002	44%
2003	45%
We exceeded our 2003 target of 25%.[41]	

6.1.5 Percentage of eligible service contract dollars in performance-based contracts

Fiscal Year	Actual
1999	20
2000	43
2001	52
2002	59
2003	**60**
We exceeded our 2003 target of 50.	

[41] In our Interim Adjustments to the *Strategic Plan*, submitted with our *FY 2004 Annual Plan*, the Department raised this target to 45 percent, based on trend data. However, we provide the required comparison here, based on the target set in our *2003 Annual Plan*.

Source. Department of Education, Central Automated Processing System (EDCAPS) and Federal Procurement Data Source

Data Quality. Data are drawn from Department systems. The Department began computing the percent of actions in 2002. Prior data are available only for the number of actions. Contract dollars include only new contracts and modifications to existing Performance-Based Service Contracting contracts awarded in a year identified.

Additional Information. Since FY 2001, the Department has exceeded the governmentwide objective to apply performance-based contracting to at least 50 percent of its annual acquisition dollars. In addition, the Department has set and exceeded its targets for the percentage of contract actions that are performance based. The Department is also improving the performance measures being used in these contracts to focus on more challenging results.

6.1.6 Percentage of erroneous payments[42]

Fiscal Year	Actual
2002	---
2003	**Set benchmark of 2.5**
We set a benchmark in 2003.	

Source. Department of Education, Office of the Chief Financial Officer.

Data Quality. Based on OMB's guidance for the implementation of Public Law (PL) 107–300, the Improper Payments Information Act of 2002, significant erroneous payments are defined as annual erroneous payments in the program exceeding both 2.5 percent of program payments and $10 million. Because the programs for which the Department has historical data show dollar amounts that are generally above the $10 million threshold, the Department determined that using 2.5 percent as the baseline for erroneous payments was the most pragmatic and efficient means to obtain a starting point.

Related Information. OMB guidance on implementing the Improper Payments Information Act of 2002 can be found at http://www.whitehouse.gov/omb/memoranda/m03-13.html.

Additional Information. The Department uses data mining (an analysis of existing data to identify patterns) to identify potential misuse/abuse of both purchase and travel cards. Software applications are used to seek and identify weekend purchases, inappropriate purchases, and use of the travel card and/or ATM withdrawals when employees are not in travel status. In addition, the span of control for purchase cards was reduced; travel card limits were lowered across the board; and travel cards that have not been used in more than one year are being deactivated.

6.1.7 Federal administrative cost per grant transaction

Fiscal Year	Discretionary Grants Actual	Formula Grants Actual
2002	---	---
2003	**$8,128**	**$4,065**
We set a baseline in 2003.[43]		

Source. Department of Education, Financial Management System Software (FMSS).

Data Quality. The baseline calculation is not limited to a single transaction in the grant award process; it includes time spent on the Planning, Reviewing, and Pre-Award and Award functions of discretionary and formula grants. Discretionary and formula grants do not include grants that are provided under the Student Financial Assistance programs. In addition, the baseline calculation does not make a distinction between new awards and continuation awards.

The costs calculated by the Department reflect the costs per grant award, not the cost per single grant transaction. The Department intends to modify the language of this performance measure.

Additional Information. During FY 2003, the Department expended approximately $130 million to award 21,044 grants totaling $38 billion. The Department determined that one full-

[42] Our *2003 Annual Plan* identifies measures of erroneous payments in terms of amount and number. In our Interim Adjustments to the *Strategic Plan*, submitted with our *FY 2004 Annual Plan*, the Department modified these measures to be based on percentage to provide trend data consistent with industry standards, and we established a 2003 target of setting the baseline.
[43] In our Interim Adjustments to the *Strategic Plan*, submitted with the *FY 2004 Annual Plan*, the Department modified the 2003 target to be to set the baseline because the baseline was not previously set.

time equivalent (FTE) produces approximately 23 discretionary grants or 42 formula grants.

Administrative costs generally rise every year. Therefore, it is most likely that the cost of awarding grants will correspondingly rise each year. The three variables that primarily affect the administrative cost of grant awards are

- amount of appropriations,
- number of staff, and
- number of grants.

Knowing that federal salaries increase some amount every year illustrates this point. In addition, despite vast improvements as a result of technological advances (e.g., the governmentwide e-grants initiative), the savings are seen in time rather than directly in dollars. The Department is tracking the grant award schedules and hopes to be able to demonstrate this type of savings by the next reporting period.

Objective 6.2: Management of Human Capital

6.2.1–6.2.4 (Discontinued[44]) Percentage of ED Employees with certain beliefs

Fiscal Year	Employees are focused on results and show interest in improving the services of their organization	Employees hold their leaders in high regard	Employees believe their organization has set high but realistic results-oriented work expectations for them	Employees believe their organization supports their development and expects them to improve their skills and learn new skills to do their jobs better
2000	52	56	62	71
2001	///	///	///	///
2002	**55**	**66**	**77**	**83**
2003	---	---	---	---
	We exceeded our 2002 target of 52. Data for 2003 are unavailable and not expected.	We exceeded our 2002 target of 56. Data for 2003 are unavailable and not expected.	We exceeded our 2002 target of 62. Data for 2003 are unavailable and not expected.	We exceeded our 2002 target of 71. Data for 2003 are unavailable and not expected.

Source. Department of Education, ED Employee Survey, administered December 1999–January 2000 using a modified version of the Office of Personnel Management (OPM) Organizational Assessment Survey (FY 2000 data).

Office of Personnel Management, Federal Human Capital Survey, administered May 2002–August 2002, results released to federal agencies March 2003 (FY 2002 data).

Data Quality. The wording of the questions on the two survey instruments differs, but the underlying concepts are similar. No similar survey was conducted in FY 2003.

Additional Information. These indicators were replaced with new indicators in the revisions to the *Strategic Plan* that were published in the *FY 2004 Annual Plan*. The employee surveys measure perception of the Department's human capital management strategy, but did not provide information on the progress or results of its implementation. The new measures provide annual, objective information that the Department can use to direct its management activities and reforms.

The 2002 data represent respondents who provided favorable or neutral responses to the following:

6.2.1: "Employees have a feeling of personal empowerment and ownership of work processes."

6.2.2: "I hold my organization's leaders in high regard."

6.2.3: "I am accountable for achieving results."

6.2.4: "Employees receive the training they need to perform their jobs."

[44] In our Interim Adjustments to the *Strategic Plan*, submitted with our *FY 2004 Annual Plan*, the Department discontinued these measures effective FY 2004.

6.2.5 Percentage of principal offices that have identified recruitment needs in their principal office recruitment plan and that are taking actions to fill critical positions with needed skills[45]	
Fiscal Year	**Actual**
2002	///
2003	**89%** of offices identified recruitment needs. No data are available on actions to fill critical positions.
We made progress toward our 2003 target of 50% of offices identifying recruitment needs and taking actions to fill critical positions with needed skills.	

Source. Department of Education, Office of Management (OM), Human Resources Service, Analysis of 2003 Recruitment Plans submitted as of August 2003.

Data Quality. The status of "made progress" is assigned based on the percentage of offices that identified recruitment needs. Data will be available on actions to fill critical positions in the third quarter of FY 2004.

When the recruitment plans are updated in FY 2004, data will be available on actions taken to fill leadership and mission critical positions, as identified in the initial recruitment plan.

Additional Information. The Department exceeded expectations on the completion of recruitment plans, but does not yet have data to determine whether offices are taking actions that result in closing critical skills gaps. Seventeen of 19 offices have recruitment plans; 2 offices are completing their plans. One office, IES, is reorganizing; it is excluded this year and will be included next year. The analysis of the first recruitment plans will be carried out in the third quarter of FY 2004. This will allow the Department to track separations and appointments over time.

6.2.6 (Discontinued[46]) Percentage of managers satisfied with services received from OM when hiring staff	
Fiscal Year	**Actual**
2002	52
2003	---
Data are unavailable and not expected.	

Source. Department of Education, Managers' Survey, November–December 2003.

Data Quality. The Department's Office of Management sent the FY 2002 HRS Satisfaction Survey to 589 managers in the Department. The overall response rate for the Managers' Survey was 22 percent.

Additional Information. This measure is being replaced by measures that are more consistent with the Department's overall human capital plan.

6.2.7 Number of positions for which solicitations are issued under the revised A–76 guidelines[47]	
Fiscal Year	**Actual**
2002	///
2003	**25.4%** of the 2000 Fair Act Inventory
We exceeded our 2003 target of 15% of the 2000 Fair Act Inventory.	

Source. Department of Education, Office of the Chief Financial Officer.

Data Quality. The number of FTE is based on the statements of work that were issued for the two business functions being competed under the A–76 guidelines. There are no data limitations.

Related Information. The request for proposal (RFP) for Human Resources/Training can be found at http://www1.eps.gov/spg/ED/OCFO/CPO/ED-03-R-0016/listing.html.

The RFP for Payment Processing can be found at http://www1.eps.gov/spg/ED/OCFO/CPO/ED-03-R-0015/listing.html.

Information about the A-76 guidelines is available at http://www.whitehouse.gov/omb/circulars/a076/a76_incl_tech_correction.html.

Additional Information. On June 30, 2003, the Department issued RFPs for both the Human Resources/Training and Payment Processing competitions. The Human

[45] In our Interim Adjustments to the *Strategic Plan*, submitted with our *FY 2004 Annual Plan*, the Department used this measure to replace the "skill gap" measure stated in our *2003 Annual Plan* with this measure and modified the target accordingly.
[46] In our Interim Adjustments to the *Strategic Plan*, submitted with our *FY 2004 Annual Plan*, the Department discontinued this measure effective FY 2004.
[47] In our Interim Adjustments to the *Strategic Plan*, submitted with our *FY 2004 Annual Plan*, the Department revised this measure to align with governmentwide standards.

Resources/Training RFP includes services currently being performed nationwide, including staffing, classification, hiring, employee relations, and training and development activities. The Payment Processing RFP includes services currently being performed nationwide, including timely and accurate processing and issuance of funds to satisfy obligations for nongrant/loan requests for payment. The responses to both RFPs were submitted on August 14, 2003. The Department expects to finalize the competitions in FY 2004.

6.2.8 (New[48]) Percentage of performance, cash, and time-off awards that are given to employees with ratings in the top three levels in the EDPAS system

Fiscal Year	Actual
2002	///
2003	**100**
We met our 2003 target of 100.	

Source. Department of Education, Federal Personnel and Payroll System, Education Department Performance Appraisal System (EDPAS), Awards data and ratings of record.

Data Quality. There are no data limitations. Data reflect awards granted between May 1 and August 9, 2003; 99.8 percent was rounded to 100 percent.

Additional Information. Of 1,117 awards, 1,115 were given to employees who were rated successful or higher (99.8 percent). Two awards (time off) went to an employee rated minimally successful (MS) (0.2 percent).

6.2.9 (New[49]) Percentage of personnel in the lowest two EDPAS rating levels who have performance improvement activities under way

Fiscal Year	Actual
2002	///
2003	**55**
We did not meet our 2003 target of 70.	

Source. Department of Education, Federal Personnel and Payroll System (to identify employees with ratings of minimally successful [MS] and unacceptable [U]) and data submitted by Principal Offices (on performance improvement activities for these employees).

Data Quality. There are no data limitations.

Additional Information. Fifty-five percent (36) of the 65 employees who were rated MS or U have performance improvement activities under way (29 do not). Organizations that have not initiated improvement activities are being advised to do so and provided guidance as to what could be done. Fifteen percent (10) of the 65 employees are either retiring, have new positions, are under a proposal for removal, or have long-term illnesses, which impacted the managers' ability to have performance improvement activities under way.

6.2.10 (New[50]) Percentage of EDPAS employees who have documented ratings of record

Fiscal Year	Actual
2002	///
2003	**86**
We exceeded our 2003 target of 80.	

Source. Department of Education, Federal Personnel and Payroll System ratings for the Education Department Performance Appraisal System (EDPAS) rating period from January 1–April 30, 2003.

Data Quality. There are no data limitations. Data reflect information in FPPS as of August 2003.

Additional Information. A new rating system, EDPAS, was developed and implemented for General Schedule employees, linking their performance standards to the Department's strategic priorities and presenting five levels of performance. Of 4,233 employees eligible to receive an EDPAS rating, 3,637 employees have ratings on file.

This first shortened rating cycle of EDPAS indicates that ratings better reflect differences in employee performance. Under the prior pass-or-fail system, only 7 to 10 employees nationwide (0.2 percent) would receive a rating of fail. Under EDPAS, 1.5 percent of employees who were rated received a less than successful rating.

[48] The Department established this measure in our Interim Adjustments to the *Strategic Plan*, submitted with our *FY 2004 Annual Plan*.
[49] *Ibid.*
[50] *Ibid.*

Objective 6.3: Information Technology

6.3.1 Percentage of major IT investments that achieve less than a 10% variance of cost and schedule goals[51]		
Fiscal Year	**Cost Variance Actual**	**Schedule Variance Actual**
2002	**94.4**	**83.3**
2003	Target is 60.[52]	Target is 60.
We exceeded our 2002 target of 50. Data for 2003 are pending.		

Source. Department of Education, Office of the Chief Information Officer, Earned Value Management System Workbook.

Data Quality. The data are collected as part of the Information Technology (IT) Investment Management process Select and Control phases. Project managers provide cost and schedule information for their development milestones and operational expenditures. The project managers formulate estimates of remaining work based on actual costs to date, the percentage of milestones complete, their own knowledge of the initiative, and contractor feedback where applicable.

Additional Information. The data for FY 2003 will be available in November 2003.

During FY 2003, the Department instituted a cost and schedule of milestones baseline change management process. Project managers' requests to modify a baseline are considered by the Planning and Investment Review Group Leadership Team (PIRWG LT).

6.3.2 (Discontinued[53]) Percentage of customer ratings of ED IT services "good" or "better"	
Fiscal Year	**Actual**
2002	90
2003	**92.3**
We made progress toward our 2003 target of 95.	

Source. Department of Education, information derived from customer service help desk survey results.

Data Quality. Data are generated from an automated survey system. Survey is administered by e-mail. There are no data limitations.

Additional Information. This performance measure was discontinued effective FY 2004 because it does not measure the progress the Department is making in implementing the *President's Management Agenda* e-government initiative.

The Department surveys every fifth customer that receives IT related customer service. In 2003, 5.3 percent of customers that filled out the survey did not answer the one question regarding the overall service received from OCIO. In researching the comments received, most complaints were about help desk procedures. The Department has updated these procedures and is continuously reviewing ways to improve customer service.

6.3.3 OMB burden hour estimates of Department program data collections per year	
Fiscal Year	**Actual**
1999	42.07 M
2000	40.93 M
2001	40.65 M
2002	38.40 M
2003	**39.06 M**
We did not meet our 2003 target of 38.	

Source. Department of Education, Office of the Chief Information Officer (OCIO), Program files.

Office of Management and Budget, Burden calculations.

Data Quality. Data are validated by internal review procedures of the Regulatory Information Management Group of the OCIO. Data are estimated for all of the Department's data collections from the public. The Department makes initial estimates and OMB later confirms those estimates or provides revised estimates. In the table above, data for 2003 are based on the Department's estimates. OMB will confirm these estimates or provide revised estimates in late November 2003.

Related Information. The information collection document that outlines all OMB approved collection efforts, as well as those collections waiting for OMB approval (pending), are available at http://edicsweb.ed.gov.

[51] In our Interim Adjustments to the *Strategic Plan*, submitted with our *FY 2004 Annual Plan*, the Department revised this measure, replacing *significant* with *major*.
[52] In our Interim Adjustments to the *Strategic Plan*, submitted with our *FY 2004 Annual Plan*, the Department raised this target to 90 percent based on trend data. However, we provide the required comparison here, based on the target set in our *2003 Annual Plan*.
[53] In our Interim Adjustments to the *Strategic Plan*, submitted with our *FY 2004 Annual Plan*, the Department discontinued this measure effective FY 2004.

Additional Information. Overall, the Department reduced the burden hours for collections compared to FY 2002 collection requirements and regulations. The 39.06 million figure includes 1.01 million hours that resulted from *new* data collections required for NCLB and other Department programs and an increase in the number of loan and grant applicants during FY 2003. These factors and others have and will most likely continue to result in an increase in burden hours for existing collections. In light of these factors, the Department plans to revise its targets for FY 2004 and FY 2005.

6.3.4 (New[54]) Percentage of loan programs providing online application capability

Fiscal Year	Actual
2003	100
We exceeded our 2003 target of 95.	

6.3.5 (New[55]) Percentage of grant programs providing online application capability

Fiscal Year	Actual
2000	5
2001	20
2002	29
2003	57
We exceeded our 2003 target of 15.	

Source. Department of Education, Federal Student Aid Title IV Systems and Office of the Chief Financial Officer, Grant Administration and Payment System (GAPS).

Data Quality. There are no data limitations.

Additional Information. All of the Department's Title IV loan programs provide online capability. In addition to the fact that the eligibility application, Free Application for Federal Student Aid (FAFSA), is available online, students and parents can also complete and sign loan applications/promissory notes online.

Three formula grant programs and 106 (or 57 percent of) discretionary grant programs used e-Application to receive electronic applications. This is an increase of 54 discretionary programs over 2002 and 73 programs since 2001. This is the fourth year that the Department's e-Application system for grants has been available. The e-Application system supports all of the Department's standard forms and has been modified to support additional program specific forms and requirements for programs that do not use the Department's standard forms and application process.

6.3.6 (New[56]) Percentage of currently identified Tier 1 and 2 systems that complete Certification and Accreditation

Fiscal Year	Actual
2003	10
We met our 2003 target of 10.	

Source. Department of Education, Office of the Chief Information Officer (OCIO), Program files.

Data Quality. There are no data limitations.

Additional Information. The Department completed Certification and Accreditation for the following six Tier 2 systems, which represent 10 percent of all Tier 1 and 2 systems:

- OCIO GISRA POA&M Database
- OCR Elementary and Secondary School Civil Rights Compliance Report—Major Application
- OCR Elementary and Secondary School Civil Rights Compliance Report—General Support System
- OCR Case Management System
- OM Security Tracking System
- FSA EZ-Audit System

The certification and accreditation of all Tier 1 and 2 systems will be completed no later than December 31, 2004. The Department expects to complete the certification and accreditation for all Tier 3 and 4 systems by December 31, 2003.

[54] The Department established this measure in our Interim Adjustments to the *Strategic Plan*, submitted with our *FY 2004 Annual Plan*.
[55] *Ibid.*
[56] *Ibid.*

Objective 6.4: Student Assistance Programs

6.4.1 Student Financial Assistance programs will leave the GAO high risk list and will not return[57]	
Fiscal Year	**Actual**
2002	Completed 94% of the High Risk Plan
2003	**The audit opinion is clean; SFA programs remain on the GAO High Risk List.[58]**
We made progress toward our 2003 target of a clean opinion and leaving the GAO High Risk List.	

Source. Department of Education, Office of Federal Student Aid (FSA) High Risk Plan and Progress Reports.

Independent Auditors' FY 2003 Financial Statement and Audit Report.

Data Quality. Independent auditors follow professional standards and conduct the audit under the oversight of the Office of Inspector General. In addition, internal quality control procedures are followed to ensure that the data are correct.

Additional Information. The Department and FSA each received a clean opinion on their financial statements for FY 2002 and FY 2003. The clean opinions are important milestones in the Department's efforts toward creating a permanent culture of accountability and are crucial to FSA's efforts to have the Student Financial Assistance (SFA) programs removed from the General Accounting Office (GAO) High Risk List.

On June 9, 2003, GAO denied the Secretary's request for a special "off-cycle" reconsideration of the designation of SFA programs as high risk. GAO reviews the programs it designates as high risk on a biennial basis. The past assessment was conducted in FY 2002 with publication in January 2003. The next assessment opportunity will be in FY 2004 with publication of the final report in January 2005. FSA has made considerable progress in FY 2003 in building on its foundation for management. Improvements have been made in financial management, in program integrity, and in the strategic management of human capital. In addition, FSA is improving its management of information technology resources to improve services for customers and partners and is moving forward with its modernization of FSA programs to improve their integrity. FSA will continue to work with GAO staff to ensure that they are informed of our progress towards resolving Department management issues and sustaining improvement in the SFA programs.

6.4.2 Default recovery rate in percent	
Fiscal Year	**Actual**
1999	8.0
2000	7.5
2001	7.8
2002	7.6
2003	**9.5**
We exceeded our 2003 target of 7.6.	

Source. Department of Education, Debt Collection Management Systems (DCMS) Management Information System (MIS) reports.

Data Quality. Internal quality control and auditing procedures are followed to ensure that the data are correct.

Additional Information. As of September 30, 2003, FSA had recovered $1.33 billion of the $13.975 billion in defaulted loans held by the Department.

6.4.3-6.4.4 Percentage of Pell Grants overpayments[59] and erroneous[60] payments		
Fiscal Year	**Overpayments Actual**	**Erroneous Payments Actual**
2001	3.4	///
2002	3.3	///
2003	**3.1**	**4.9**
We met our 2003 overpayment target of 3.1. We did not meet our 2003 erroneous payment target of 3.6.		

[57] In our Interim Adjustments to the *Strategic Plan*, submitted with our *FY 2004 Annual Plan*, the Department modified the measure statement to correctly reference the programs.
[58] In our Interim Adjustments to the *Strategic Plan*, submitted with our *FY 2004 Annual Plan*, the Department modified this target by adding the achievement of a clean audit opinion.
[59] In our Interim Adjustments to the *Strategic Plan*, submitted with our *FY 2004 Annual Plan*, the Department modified the statement of this measure from amount to percentage to be consistent with best practices. Actual data values were recomputed under the new definition and targets were modified accordingly.
[60] The Department established this measure in our Interim Adjustments to the *Strategic Plan*, submitted with our *FY 2004 Annual Plan*.

Source. Analysis of sampled Internal Revenue Service income data to data reported on the Department of Education's Free Application for Federal Student Aid (FAFSA) reported by FSA and Recipient Financial Management System.

Data Quality. The overpayment measure is determined by dividing the estimated dollar amount of overpayments by the total dollar value of Pell Grants awarded in FY 2003. The erroneous payments measure is determined by totaling the dollar amount of estimated overpayments and underpayments and dividing by the total dollar value of Pell Grants awarded in FY 2003.

Additional Information. FSA has implemented numerous strategies for reducing erroneous payments in the Federal Pell Grant Program. We continue to use applicant data from the Central Processing System (CPS), Pell payment data from Common Origination and Disbursement (COD) system, and IRS data to refine and improve our verification selection criteria to better identify applicants who are likely to have made income-reporting errors on their FAFSA that would result in significant over-awards in the Pell Grant Program. In addition, we continue to review MIS reports, as well as customized queries of the CPS, to identify and analyze fields on the FAFSA that are frequently corrected and, therefore, potentially most error prone. In combination with these efforts, we continue to conduct usability testing on the FAFSA to identify questions that applicants and their families have difficulty understanding. These questions have been reworded on the 2004–05 FAFSA to be clearer and, therefore, easier for applicants to answer accurately. We have also added additional logic to our Web applications that is designed to detect and point out to applicants potential mistakes before application data is transmitted to the CPS. FSA has also taken additional steps to inform students and parents who estimate income information on the FAFSA that they must compare their FAFSA answers to their tax returns once they have completed them and to promptly make any necessary changes to their FAFSA data to avoid losing or having to repay federal student aid they have received. Most important, we are continuing to work with OMB and Treasury in support of proposed legislation to revise the IRS Code to authorize the matching of Title IV SFA applicant data to tax return data.

6.4.5 Timeliness of FSA major system reconciliations to the general ledger in days

Fiscal Year	Actual
2002	45
2003	**Oct–Mar: 35 days** **Apr–Sept: 24 days**
We exceeded our 2003 target of Oct-Mar: 40 days and Apr-Sept: 30 days.[61]	

Source. Department of Education, Internal System Reports.

Data Quality. Internal quality control and auditing procedures are followed to ensure that the data are correct.

Additional Information. On the average during FY 2003, FSA reconciled its program accounts to supporting detail within the time targeted.

6.4.6 Customer service (measure of service levels of targeted FSA transactions with public)

Fiscal Year	FSA Product or Service Being Measured	Actual
2002	---	---
2003	FAFSA on the Web	**86**
	Direct Loan Servicing	**77**
	Common Origination & Disbursement (COD) Service	**66**
	Lender Reporting System (LaRS)	**71**
We set baselines in 2003.[62]		

Source. FY 2003 American Customer Satisfaction Index (ACSI) survey.

Data Quality. ACSI scores are indexed from 1–100. ACSI provides a national, cross-industry, cross-public and -private sector economic indicator produced by a partnership of the National Quality Research Center (at the University of Michigan Business School), CFI Group, and the American Society for Quality. The ACSI uses a widely accepted methodology to obtain standardized customer satisfaction information.

[61] In our Interim Adjustments to the *Strategic Plan*, submitted with our *FY 2004 Annual Plan*, the Department replaced TBD, which appeared in our *2003 Annual Plan*, with this numerical target.
[62] In our Interim Adjustments to the *Strategic Plan*, submitted with our *FY 2004 Annual Plan*, the Department replaced TBD, which appeared in our *2003 Annual Plan*, with a target of setting a baseline in 2003.

Additional Information. FSA customer surveys were not undertaken during FY 2002 so that the Department could evaluate prior survey efforts to make certain that methodologies were valid, that satisfaction efforts were aligned to the appropriate business processes or products, and that the obtained information warranted the resources expended. The FY 2003 FSA customer service surveys are more focused than in the past to obtain only the most pertinent information about the most high profile, frequently used products.

FAFSA on the Web is the Web-based product that applicants complete to determine their eligibility for federal student aid. As of October 1, 2003, about 7.7 million out of a total of 11 million applicants have used *FAFSA on the Web*. *Direct Loan Servicing* is the process by which loans are repaid and includes the issuing of monthly statements; collecting of loan balances; and offering customer-service help and Web-based help and information. As of September 2003, there were approximately 4.1 million borrowers in a repayment status with a combined outstanding principal balance of $55.5 billion. The *Common Origination and Disbursement* (COD) system is the mechanism that schools use to receive and account for federal funds used in the Direct Loan and Pell Grant Programs. Nearly 5,300 schools participating in the Pell and/or Direct Loan Programs used the COD during the 2002-2003 academic year. Altogether, $23.7 billion in grants and loans were processed through this system. The *Lender Reporting System* (LaRS) is the mechanism that lenders and servicers use to receive interest and special allowance payments from the Department on their active Federal Family Education Loan (FFEL) Program loan portfolios. Approximately 4,000 lenders and/or their servicers use LaRS.

FSA ACSI scores (indexed from 1–100) are generally good and are in the range of national benchmarks including the national ACSI that stands at 74; federal agencies with a score of 70; and the banking industry with an average of 74. The *FAFSA on the Web* score is exceptional and compares favorably with amazon.com, which, with a score of 88, is the highest rated company in the ACSI index. Scores for COD and LaRS are lower than the student and borrower customer groups, but are in line with business-to-business satisfaction results, which tend to run 5-10 points lower (65–74 for banking and telecommunications).

6.4.7 Integration of FSA processes and systems that work together to support FSA program delivery functions[63]

Fiscal Year	Actual
2002	100
2003	**Met 100% of the targets in FSA's sequencing plan; updated integration plan through the data strategy effort.**

We met our target of meeting 100% of the targets in FSA's sequencing plan and re-evaluating our targets for 2004–2007.[64]

Source. Department of Education, Internal FSA Progress Reports.

Data Quality. Internal quality control and auditing procedures are followed to ensure that the data are correct.

Additional Information. FSA has made considerable progress in furthering its integration goals. Notable accomplishments for FY 2003 include the following:

- Enhancing Forms 2000
- Retiring RFMS and DLOS
- Stabilizing LAP/LaRS
- Implementing ezAudit
- Creating an integrated project management oversight group
- Implementing an electronic PLUS master promissory note
- Starting the procurement of the Common Services for Borrowers (CSB) solution

In FY 2003, FSA also began defining a comprehensive Enterprise Data Strategy and implementation approach to address system integration needs.

[63] In our Interim Adjustments to the *Strategic Plan*, submitted with our *FY 2004 Annual Plan*, the Department modified this measure statement for clarity.
[64] In our Interim Adjustments to the *Strategic Plan*, submitted with our *FY 2004 Annual Plan*, the Department replaced TBD, which appeared in our *2003 Annual Plan*, with a specific target.

Objective 6.5: Budget and Performance Integration

6.5.1 Percentage of Department programs reviewed under the PART process that demonstrate effectiveness[65]	
Fiscal Year	**Actual**
2002	22
2003	Target is 40.
Data for 2003 are pending.	

6.5.2 Percentage of Department program dollars associated with programs reviewed under the PART process that demonstrate effectiveness[66]	
Fiscal Year	**Actual**
2002	46
2003	Target is 60.
Data for 2003 are pending.	

Source. Department of Education, Analysis of Program Assessment Rating Tool (PART) findings.

Data Quality. Only programs for which PART reviews are complete are eligible to be identified as effective. PART analysis began in 2002. Over the five-year period 2002 through 2006, the Department will conduct PART analyses on all programs.

Effective is defined as a score of at least 50 percent on Section IV of the PART, which evaluates program results. Measure 6.5.1 compares the number of effective programs to the total number of programs that were reviewed under the PART. Measure 6.5.2 compares the appropriations for the effective programs to the appropriations for all programs that were reviewed under the PART. FY 2002 data reflect FY 2002 appropriations and programs that had PART reviews conducted during FY 2002. Appropriation amounts include only program budget authority and exclude salaries and expenses budget authority. FY 2003 data, when available, will reflect FY 2003 appropriations and programs that had PART reviews conducted during or prior to FY 2003. Data for 2002 have been revised to reflect final PART scores. (The *FY 2002 Performance and Accountability Report* used preliminary PART scores.)

For many programs that do not demonstrate effectiveness, the Department has not yet collected sufficient performance data. No conclusion should be drawn that programs that did not meet this standard for *effective* are ineffective.

Related Information. Information about the OMB PART process is available at http://www.whitehouse.gov/omb/budintegration/part_assessing2004.html.

Additional Information. Data for FY 2003 are expected in February 2004. The NCLB made significant changes to most of the Department's elementary and secondary education programs. We expect to see major improvements in performance information over the next two years as performance measures are improved, data on the first full year of implementation of NCLB become available, and the Performance-Based Data Management Initiative becomes operational.

Objective 6.6: Faith-Based and Community Organizations

6.6.1 (Discontinued[67]) Percentage of non-statutory barriers relating to technical assistance and outreach identified in the Report on Findings that are removed	
Fiscal Year	**Actual**
2002	60
2003	**80**
We exceeded our 2003 target of 75.	

Source. Department of Education, Office of the Secretary, Center for Faith-Based and Community Initiatives.

Additional Information. This performance measure was removed effective FY 2004 because there is only one nonstatutory barrier identified in the *Report on Findings* that needs to be removed. This barrier is the lack of technical assistance and outreach. Eighty percent of this barrier has been removed through the following outreach efforts:

- Seven regional conferences explaining grants process to 10,000 faith-based and community organizations (FBCOs).

[65] In our Interim Adjustments to the *Strategic Plan*, submitted with our *FY 2004 Annual Plan*, the Department modified the statement of this measure to be consistent with OMB's use of the PART to measure program effectiveness. Actual data values for the prior year were recomputed under the new definition and targets were modified for consistency.
[66] *Ibid.*
[67] In our Interim Adjustments to the *Strategic Plan*, submitted with our *FY 2004 Annual Plan*, the Department discontinued this measure effective FY 2004.

- Eight workshops on becoming a supplemental service provider attended by 883 FBCOs.
- Web cast tutorials for each discretionary grant program.
- Two workshops on after-school programs attended by 150 FBCOs.
- Web site that provides user-friendly catalogue of grant information and detailed guidance on seeking grants.

6.6.2 Percentage of programs amenable to participation by FBCOs in which novice applicant reform is implemented[68]	
Fiscal Year	**Actual**
2002	62
2003	**100**
We exceeded our 2003 target of 50.	

Sources. "Community Technology Center," *Federal Register*, Vol. 68, no. 119 (June 20, 2003): 37059.

"Carol M. White Physical Education," *Federal Register*, Vol. 68, no. 62 (April 1, 2003): 15912.

"Early Reading First," *Federal Register*, Vol. 68, no. 47 (March 11, 2003).

"PIRC Grant," *Federal Register*, Vol. 68, no. 131 (July 9, 2003): 40913–40914.

Data Quality. There are no data limitations.

Related Information. Information on initiatives of the Center for Faith-Based and Community Initiatives at the Department of Education is available at http://www.ed.gov/faithandcommunity/.

Additional Information. Novice applicant reform was implemented in the four Department grant programs open to FBCOs.

6.6.3 (New[69]) Number of grant applications from FBCOs in discretionary grant programs	
Fiscal Year	**Actual**
2002	///
2003	Target is setting a baseline.
Data for 2003 are pending.	

Source. Department of Education, Office of the Secretary, Center for Faith-Based and Community Initiatives.

Additional Information. The data for FY 2003 will be available by December 2003.

Objective 6.7: President's Quality Award

6.7.1 President's Quality Award	
Fiscal Year	**Actual**
2002	Applied for the award and gained insight
2003	**Applied for the award and gained insight**
We met our 2003 target of applying for the award and gaining insight.	

Source. Department of Education, Office of Management, Application materials.
Office of Personnel Management (OPM).

Data Quality. Award status is reported by the OPM.

Additional Information. The Department submitted three applications for the President's Quality Award on September 5, 2003.

[68] In our Interim Adjustments to the *Strategic Plan*, submitted with our *FY 2004 Annual Plan*, the Department modified this measure statement for clarity.
[69] The Department established this measure in our Interim Adjustments to the *Strategic Plan*, submitted with our *FY 2004 Annual Plan*.

Appendix B

Performance Data Quality and Timeliness

Appendix B

Performance Data Quality and Timeliness

The quality of the Department's data lies on a continuum, as do the procedures used to verify and validate those data. The Department is working on a number of fronts to increase the quality of its data by improving its data systems and procedures. As an example of high-quality data, National Center for Education Statistics (NCES) data undergo extensive reviews and must conform to the rigorous standards of that statistical division of the Department. NCES is listed as the data source for over one-third of our fiscal year (FY) 2003 measures. An additional group of our measures derive their results from statistical divisions of other federal agencies, such as the Office of Management and Budget (OMB) or the Census Bureau, and as such also undergo vigorous validation and verification. Most of the remaining performance measures use program files or self-reported information from grantees, such as the consolidated state report, as their data source. Program file data varies in quality. Some offices have instituted internal data quality review, others use peer review, and some have required quality reviews by the relevant data collection and analysis contractors. In addition, the Department has undertaken several initiatives discussed below to improve the timeliness and quality of its data.

To provide more information on the data source for each performance measure, the Department identifies verification, validation, and limitations in appendix A under the "Data Quality" subsections. In this appendix, we present some of the initiatives to improve data quality Department-wide and within specific programs.

The Department took a number of steps to address the fundamental issues of data quality in FY 2003. Quality, for the purposes of this report, refers not only to the issue of data accuracy, but also to the issues of timeliness in reporting, efficient and effective reporting procedures and systems, and the use of data to inform management decisions. Among the Department's steps this past year were the following:

- Implementing the Performance-Based Data Management Initiative (PBDMI), to transmit key K–12 indicator data directly from states into a new Department-wide data repository that will come online in the spring of 2005, the Education Data Exchange Network (EDEN).
- Increasing the frequency of the National Assessment of Educational Progress (NAEP) testing while decreasing the time from test administration to reporting.
- Improving program performance measures for all programs through direct technical assistance, regular training sessions and coordination around Program Assessment Rating Tool (PART) reviews.
- Notifying our potential grantees in their applications of the data requirements for the programs by identifying Government Performance and Results Act (GPRA) indicators and performance reporting requirements in grant application packages.
- Improving grantee focus on data quality by developing innovative approaches to encourage attention to and improvement of grantees' own data systems.

Developing the Performance-Based Data System and the Education Data Exchange Network

"We spend millions of dollars every year to collect data on and evaluate our programs," Paige said. "This is a serious effort to provide more value for the taxpayer's dollars in these activities. We aim to establish a more efficient data collection and dissemination system, one that provides timely and more useful information to those who work every day to improve student achievement." The PBDMI is a major component of this data-based approach to program improvement. This initiative is building a collaborative electronic exchange system for performance information on federal K–12 education programs.

What are PBDMI and EDEN?

PBDMI is a multiple-year effort to consolidate the collection of education information from states, districts, and schools in a way that improves data quality and reduces paperwork burden for all the national education partners.

EDEN, the system being developed by PBDMI, will be a database repository system where users can query for data to satisfy their information needs. EDEN will have analysis and reporting tools that will allow users to obtain organized and formatted information about the status and progress of education in the States, districts, and schools.

In FY 2003, the Department completed the identification of the minimum information requirements for a core set of programs and developed a list of data elements. Data requirements for state formula grant programs in elementary and secondary education, vocational and adult education, special education, and English language acquisition were reviewed together with data gathered in national surveys by NCES and the Office for Civil Rights (OCR). Visits to 51 state educational agencies (SEAs) documented their capacity to provide these data elements and to negotiate data transfer protocols. The SEAs indicated that it was useful to know what types of information will be included in PBDMI so that they can begin to adjust their data collection systems, which they are revamping to meet the reporting requirements for No Child Left Behind (NCLB) as well as state needs for improved information. In addition, the visits helped SEA staff obtain a more comprehensive view of data collection activities within their states and helped Department staff learn more about how data are collected from districts and schools and how technology can be used to streamline data collection.

The Department's assistance to SEAs with the provision of data through PBDMI continued beyond the site visits. Following each site visit, the Department negotiated with each state a cooperative services agreement that provided each state with $50,000 to assist in developing the state's capacity to participate in the resulting EDEN. The Department also provided experienced education data consultants to work with states to improve the quality, timeliness and accessibility of their education data.

The Department also began plans to migrate the OCR Elementary and Secondary Schools Survey (E&S Survey) to the Department's EDEN system. As a central database, EDEN will become the main repository for Department K–12 data, including NCLB data. Based on feedback from states, we know that there will be some critical civil rights data needs that cannot be fulfilled by the states through EDEN's common set of data elements by 2004. In light of this, OCR will aid PBDMI in developing an EDEN supplemental survey tool earlier than originally planned. This tool will capture data that cannot be currently captured through the state-federal data exchange, so that full migration of the OCR Civil Rights Survey into PBDMI can occur in 2004. Because the E&S Survey is migrating to EDEN and will no longer need to conduct its own Web-based data collection survey, OCR invested FY 2003 funds previously targeted specifically for developing and implementing an OCR Web-based survey in a contract to develop EDEN's supplemental survey tool and pilot the tool's capability. OCR's contribution to EDEN will expedite the Department's development of an integrated data collection system that has the capacity to capture essential NCLB data, important civil rights data, and other significant Department program data not routinely available from SEAs.

> Additionally, specific initiatives… have started to deliver real successes…. For example: **Performance-Based Data Management Initiative (PBDMI)**: At the Department of Education, IT is being used to transform how state student academic performance information is collected and managed… This initiative will result in a streamlined data collection process that reduces burden on State governments and eliminates redundancy across the department.
>
> –Mark Forman (OMB)
> March 13th testimony before the U.S. House Government Reform Committee

To test the value of a shared data repository in 2003, the Department developed a demonstration system that linked a number of the Department's various sources of state demographic, academic, and funding information together. This system provided an example of how PBDMI can support educational program performance and achievement analysis. The test also identified a number of limitations of the current program data and areas where additional education data would be useful. These lessons will be incorporated into EDEN.

Increasing Timely Achievement Data

NAEP, also known as "the Nation's Report Card," now tests students more frequently and reports the data faster than ever before. NAEP is the only nationally representative and continuing assessment of what America's students know and can do in various subject areas. To provide state and national policy makers with reliable and timely data on student achievement, the Department made major changes in NAEP administration,

including increasing the frequency of reading and mathematics assessments for grades 4 and 8, which are now administered every other year in all states, and reducing the time to report the data. Previously, the time from test administration to reporting results was 15 months; the new target is 6 months.

Improving Program Performance Measures

The Department is working with all offices to develop performance measures that provide valid and reliable evidence that programs are meeting their strategic planning goals while minimizing the burden of reporting for grantees. The Department has also taken a number of steps to integrate performance measurement into our planning, budget, and grant management procedures.

Another effort underway in the Department is to develop common performance measures of teacher quality. The Department, encouraged by OMB, invited the federal program offices that administer the major teacher-related grants to evaluate individual program office performance measures with an eye to finding "common measures" that all teacher-related program offices could support. More than a dozen Department programs focus entirely or in large part on teachers, providing more than $4 billion a year for competitive and formula grants to states, local educational agencies, institutions of higher education, and other entities. Through a series of discussions, the Department's teacher-related programs chose a common measure derived from the NCLB requirement that all teachers of core academic subjects are highly qualified by the 2005–06 school year. The common measure tentatively selected by seven of the Department's teacher-related programs was "the percentage of highly qualified teachers." The use of this measure will align data collection and allow for greater simplicity, reduced burden, and comparisons across programs.

> *Our state learned lessons about holes in our data. We had a lot of data but not all of it was valid. We are now doing a better job with data collection, and mining it more thoroughly than before.*
>
> –Special Education State Partner

Focusing Grant Applications on Data Quality

The Department also made the policy in FY 2003 to notify our potential grantees, where applicable, of the data requirements for the programs by inserting the GPRA indicators or other relevant information into grant application packages. By knowing the requirements in advance, grantees should be able to plan and implement performance information systems that will provide accurate and timely data to the Department.

Improving Grantee Focus on Data Quality

Many of the Department's program offices made data quality improvements throughout FY 2003. Just a few of those are highlighted here.

Special Education. The Department implemented focused monitoring procedures of special education programs under the Individuals with Disabilities Education Act (IDEA) to improve the quality of special education data. A joint initiative was initiated in July 2003, to provide technical assistance to states around five critical performance indicators that are used to measure state performance through continuous improvement monitoring of special education programs. This initiative establishes technical assistance "Communities of Practice" around each of the performance indicators to address IDEA data validity and reliability. States with an interest in improving their performance around one or more of the critical performance indicators join these Communities of Practice to engage in joint problem solving and to access resources and expertise on up-to-date research-based practices.

Federal Student Aid (FSA). As part of the development of an Enterprise Data Strategy, the Department mapped the "As-Is Data Flows" of the financial aid operating systems. The goal of this mapping was to provide a common understanding of how information is introduced, captured, and passed among FSA systems to support the business of delivering and overseeing financial aid authorized by Title IV of the Higher Education Act. Mapping led to a creation of an enterprise view that resulted in a deeper understanding of how and when customers and other aid-related entities pass information through the various financial aid operating systems. This understanding has led to suggestions for improved data quality, enhanced data

standards, and the early stages of a target business architecture that addresses existing inefficiencies in information processing.

Adult Education. The Department published and disseminated to all state adult education offices a data quality handbook titled *Using NRS (National Reporting System) Data for Program Management and Improvement.* Four regional training institutes were conducted and representatives from 48 states attended. The institutes used a "train the trainer" model and were designed to enable states to roll out state-level training to local program staff on data-quality issues.

An accountability system, such as the NRS, relies on quality data for its integrity. The key questions that public and private supporters have about the adult education program can be answered only with reliable data. This important activity provided critical guidance, practical information, materials, and formalized training that enabled states to develop and implement data quality training and technical assistance to thousands of local programs throughout the adult education delivery system.

Rehabilitation Services Administration. The Department has moved the focus of its monitoring from one based on compliance to one based on performance. New approaches to monitoring state agency performance on the standards and indicators developed pursuant to section 106 of the Rehabilitation Act of 1973 are an example of this new focus on performance. To analyze the reason a particular agency does poorly on a particular standard or indicator, staff must rely on tables of relative state agency performance. Central office staff have worked hard to clean state agency data through FY 2001 and have provided regional office staff with many tables that they can use in working with state agencies. In addition, training on analyzing state agency performance is being provided to rehabilitative services regional office staff.

Civil Rights. In FY 2003, the Department implemented a Web-based Civil Rights Case Management System (CRCMS). The CRCMS integrates both case and document management, which will facilitate end-to-end electronic complaint processing. The capacity for electronic complaint filing was added to the Department's Internet site in the fall of 2001 and data suggest that as many as one-third of complaints are now filed electronically. The CRCMS provides staff and managers with network access to data and case information, as well as the ability to perform customized queries. CRCMS' document storage and retrieval capabilities move the Department's civil rights case management from a paper-based system of files toward compliance with the Government Paperwork Elimination Act.

Appendix C

Sample Program Performance Report

Appendix C

Sample Program Performance Report

Department of Education programs with performance measures publish performance reports on the Department's Web site at http://www.ed.gov/about/reports/annual/2003report/index.html. Lists of the Department's programs are on pages 63-64, 74, 83, and 97-98. A sample program performance report as it appears on the Web site is provided below.

Research, Development and Dissemination - 2003

CFDA Number: 84.305 - Education Research

Program Goal: Transform education into an evidence-based field.

Objective 8.1 of 2: Raise the quality of research funded or conducted by the Department.

Indicator 8.1.1 of 4: The percentage of new research and evaluation projects funded by the IES that are deemed to be of high-quality by an independent review panel of qualified scientists.

Targets and Performance Data			Assessment of Progress	Sources and Data Quality
The percentage of new research and evaluation projects funded by the IES that are deemed to be of high-quality by an independent review panel of qualified scientists.			**Status:** Target exceeded **Progress:** For 2003, 20 IES proposals were reviewed by a panel of 10 reviewers. The external reviewers who served this year also served as external reviewers from the previous years.	**Additional Source Information:** IES selects a random sample of newly funded research proposals from IES. These proposals are distributed to senior scientists in education for evaluation. Data will be collected annually. This evaluation is separate from the peer review panels used to evaluate applications submitted for research funding
Year	**Actual Performance**	**Performance Targets**		
2001	36			
2002	50	50		
2003	70	65		
2004		80		
2005		95		

Frequency: Annually.

Evaluations are only as good as the qualifications of the external review panel. Inclusion of only eminent senior scientists who are distinguished professors in their institutions, editors of premier research journals, and leading researchers in education and special education assures the quality of the data.

l: The percentage of new research and evaluation S that are deemed to be of high-quality by an w panel of qualified scientists.

Targets and Performance Data			Assessment of Progress	Sources and Data Quality
The percentage of new research and			**Progress:** No new research/evaluation publications were issued in 2003.	**Additional Source Information:** IES selects a random sample of new research and evaluation publications
Year	**Actual**	**Performance**		
2002	100	50		

Objective 8.2 of 2: Increase the relevance of our research in order to meet the needs of our customers.

Indicator 8.2.1 of 4: The percentage of new research projects funded by IES that are deemed to be of high relevance to educational practice as determined by an independent review panel of qualified practitioners.

Targets and Performance Data			Assessment of Progress	Sources and Data Quality
The percentage of new research projects funded by IES that are deemed to be of high relevance to educational practice as determined by an independent review panel of qualified practitioners.			**Progress:** 2003 data not yet available (10/2003). We don't expect the data will be available before December 2003.	**Additional Source Information:** External panel of qualified practitioners will evaluate the relevance of a random sample of newly funded research proposals. Data will be collected annually. The final target of 75% recognizes that some important research may not seem immediately relevant, but will make important contributions over the long-term. **Frequency:** Annually. Evaluations are only as good as the qualifications of the external review panel. Inclusion of only experienced practitioners and administrators in education and
Year	**Actual Performance**	**Performance Targets**		
2002	25	25		
2003		37		
2004		50		
2005		62		
2006		75		

		special education assures the quality of the data.

4: The percentage of K-16 policymakers and ho report routinely considering evidence of effectiveness educational products and approaches.

erformance Data		Assessment of Progress	Sources and Data Quality
K-16 policymakers who report ng evidence of re adopting cts and approaches.		**Progress:** Data to be collected in 2005	**Additional Source Information:** Survey of education decision-makers and policymakers. Data will be collected every 3 years. **Frequency:** Other. Data are valid to the extent that sample includes education decision-makers across high-, low-, and average-achieving districts and states, across urban and rural areas, and from all regions of the country. The sample included district superintendents, chief state school officers, and state higher education executive officers
nce	**Performance Targets**		
	42		
	66		

Appendix D

Evaluation Findings and Recommendations

Appendix D

Evaluation Findings and Recommendations

Information used to improve the Department's programs and management comes from many sources, including findings from Department of Education evaluations and General Accounting Office (GAO) reports.

In FY 2003, the Department of Education published findings from four evaluation studies of three different Department programs: Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP), 21st-Century Community Learning Centers (21st CCLC), and Even Start. These programs address increasing the educational opportunities and services available to low-income and minority youth and their families to ensure that these children are not left behind. By evaluating the practices of these programs, the Department can better identify what practices are most effective in improving student achievement.

Also this past year, GAO issued reports covering several of the Department of Education's programs or management. GAO reports are available at http://www.gao.gov/audit.htm; links to specific reports are provided below. This appendix is a summary of report findings and recommendations that were and will be used by management and leadership to improve our services.

Goal 1: Accountability

GAO completed three reports related to Goal 1, Accountability, in FY 2003:

- Flexibility Demonstration Programs: Education Needs to Better Target Program Information (GAO-03-691, June 2003).
- Title I: Characteristics of Tests Will Influence Expenses; Information Sharing May Help States Realize Efficiencies (GAO-03-389, May 2003).
- No Child Left Behind Act: More Information Would Help States Determine Which Teachers Are Highly Qualified (GAO-03-631, July 2003).

Flexibility Demonstration Programs. After reviewing the one applicant for State-Flex and the three applicants for Local-Flex and interviewing nonapplicants, GAO concluded that the Department should provide states and districts with more information and should better target that information to states and districts in the best position to apply for additional flexibility. (The report is available at http://www.gao.gov/new.items/d03691.pdf.)

Title I: Characteristics of Tests Will Influence Expenses. Given that significant expenses may be associated with testing (GAO estimates range from $1.9 to 5.3 billion per state), GAO recommended that the Department facilitate the sharing of information on states' experiences in attempting to reduce expenses. (The report is available at http://www.gao.gov/new.items/d03389.pdf.)

No Child Left Behind Act. To help states determine which teachers are highly qualified and decide what actions they need to take to help teachers become highly qualified, GAO recommended that the Secretary provide more information to states, especially on ways to evaluate the subject area knowledge of current teachers. (The report is available at http://www.gao.gov/new.items/d03631.pdf.)

Goal 2: Student Achievement

The Department continued or completed three evaluations related to Goal 2, Student Achievement. One was an interim report on an after-school program: *When Schools Stay Open Late: The National Evaluation of the 21st-Century Community Learning Centers Program* (available at http://www.ed.gov/pubs/21cent/firstyear/index.html).

Two studies concerned the Even Start program: *State Administration of the Even Start Family Literacy Program: Structure, Process and Practices* (available at http://www.ed.gov/rschstat/eval/disadv/evenstartstate/highlights.html) and *Third National Even Start Evaluation: Program Impacts and Implications for Improvement* (available at http://www.ed.gov/offices/OUS/PES/ed_for_disadvantaged.html#evenstart-4).

Evaluation of After-school Program. 21st CCLC was created in 1994 to provide safe and supervised academic and recreational activities for students at school outside of regular

school hours and was one of the fastest growing programs in the Department (from $40 million in FY 1998 to $1 billion in FY 2002) and supports programs in 7,500 public schools. The first-year evaluation and subsequent report *When Schools Stay Open Late: The National Evaluation of the 21st-Century Community Learning Centers Program* was the largest and most rigorous look at after-school programs done to date, with the purpose of examining the characteristics and outcomes of typical programs in elementary and middle schools.

The first-year findings reveal that although 21st CCLC after-school centers changed where and with whom students spent some of their after-school time and was associated with increased parental involvement, they had limited influence on academic performance, no influence on feelings of safety or on the number of "latchkey" children, and some negative influences on behavior. However, the first-year findings also indicated that grantees generally had succeeded in implementing their planned programs and in gaining support from and creating working relationships with school principals and teachers. Most programs provided academic, enrichment, and recreation activities, with homework help being the most common academic activity. Perhaps the most significant implementation problem was the low level of student participation, averaging less than two days a week when the centers were often open four or five days per week. As a result, the Department is considering ways to address low student participation and low academic content within the program, including program structures that would facilitate more frequent attendance, such as focusing on serving students who are having difficulty in reading or math and asking them to participate a minimum number of days each week. The study will release a second report in December 2004, including an additional year of follow-up data and a wider scope of programs. The final report will be released in March 2005.

Evaluation of Even Start. Even Start was created in 1989–90 as a federally administered program and in 1992 was converted to a state-administered formula program with an FY 2003 appropriation of $248 million, supporting approximately 800 sites across the United States. The program helps break the cycle of poverty and illiteracy by improving the educational opportunities of low-income families by integrating early childhood education, adult literacy or adult basic education, and parenting education into a unified family literacy program. Two studies were released in 2003 concerning Even Start: *State Administration of the Even Start Family Literacy Program: Structure, Process and Practices* and *Third National Even Start Evaluation: Program Impacts and Implications for Improvement*. The first study systematically describes all major areas of Even Start administration and the factors that facilitate or impede program improvement activities. The study aims to be both a self-assessment and reference guide for state coordinators and a guide for Even Start administrators at the federal level to better target their assistance to states. This first study revealed the following:

- Even Start staffing in some states has been very stable while some states have experienced frequent changes in state coordinators.
- Staff resources for Even Start at the state level are limited.
- States rarely deny continuation funds to local Even Start projects.
- States differed greatly in every aspect of Even Start performance indicators that were submitted in June 2001, including the measures used, performance standards set, and subgroups to which the measurements and standards are to be applied.

The second study, which included a small experimental design component, found the following:

- Although Even Start children and parents made gains on literacy assessments and other measures, children and parents in the 18 Even Start programs that participated in the assessment made no more school readiness or educational gains than those who did not receive Even Start services. Recipients did not gain more than children and parents in the control group, about one-third of whom received early childhood education or adult education services.
- Even Start serves a very disadvantaged population.
- Compared with Head Start, Even Start parents are much less likely to have a high school diploma, and Even Start families have substantially lower annual household incomes.
- Families do not take full advantage of the services offered by Even Start projects, participating in a small amount of instruction relative to their needs and goals. The extent to

which parents and children participated in literacy services is related to child outcomes.

Based on statements made by state coordinators and the areas of administrative challenges identified in this study, the evaluation recommended providing the following:

- Comprehensive clearinghouse of information and materials related to topics such as Even Start legislative and program guidance; family literacy curricula; research-based instructional approaches for early childhood education, adult education, and parenting education; child and adult assessments; family literacy staff development; and local evaluation approaches.
- More opportunities for state and local Even Start staff, including their evaluators and technical consultants, to attend high-quality educational and technical assistance workshops led by national experts.
- More opportunities for state coordinators to work together in which state coordinators would take the lead in setting the agenda, presenting effective practices or lessons learned, and conducting collaborative problem solving sessions.
- Federal leadership to promote collection of core program and participant data that are comparable across states.

GAO completed four reports related to Goal 2 Student Achievement in FY 2003:

- Higher Education: Activities Underway to Improve Teacher Training, but Reporting on These Activities Could Be Enhanced (GAO-03-6, December 2002).
- Special Education: Clearer Guidance Would Enhance Implementation of Federal Disciplinary Provisions (GAO-03-550, May 2003).
- Child Welfare and Juvenile Justice: Federal Agencies Could Play a Stronger Role in Helping States Reduce the Number of Children Placed Solely to Obtain Mental Health Services (GAO-03-397, April 2003).
- School Lunch Program: Efforts Needed to Improve Nutrition and Encourage Healthy Eating (GAO-03-506, May 2003).

Higher Education: Activities Underway to Improve Teacher Training. To improve teacher quality reporting, GAO recommended that the Secretary further develop and maintain a system for regularly communicating program information with grantees and establish a systematic approach for evaluating all grant activities. In addition, the Department should define key terms from the legislation clearly and allow sufficient time for the verification of the required information. (The report is available at http://www.gao.gov/new.items/d036.pdf.)

Special Education. Special education guidance could also be improved. Although the Department provided guidance and oversight to states and school districts for special education disciplinary placements by providing information on federal requirements; by reviewing state self-assessments, improvement plans, and data; and by conducting on-site data collection visits in selected states, according to some state and local officials, this guidance has not been specific enough. In particular, the regulations do not provide illustrative examples specifying whether the days of in-school suspension should be counted as days of removal under the 10-day rule. Therefore, GAO recommended that the Secretary issue supplemental guidance to state and local education agencies to assist them in implementing the disciplinary provisions of the Individuals with Disabilities Education Act (IDEA). (The report is available at http://www.gao.gov/new.items/d03550.pdf.)

Child Welfare and Juvenile Justice. GAO also noted the need for increased focus on mental health services availability. Child welfare directors in 19 states and juvenile justice officials in 30 counties estimated that in FY 2001 parents placed over 12,700 children into the child welfare or juvenile justice systems so that these children could receive mental health services.

Given this, GAO recommended that the Departments of Health and Human Services (HHS) and Justice (DOJ) consider the feasibility of tracking children placed by their parents in the child welfare and juvenile justice systems to obtain mental health services. HHS, DOJ, and the Department of Education should develop an interagency working group to identify the causes of the misunderstandings at the state and local levels and create an action plan to address those causes. (The report is available at http://www.gao.gov/new.items/d03397.pdf.)

School Lunch Program. Although schools are moving toward meeting school lunch nutrition requirements, more improvements are needed. According to national studies, lunches meet requirements for nutrients such as protein,

vitamins, calcium, and iron, but do not meet the required 30 percent limit for calories from fat. GAO recommended that the Secretaries of Agriculture, Health and Human Services, and Education work together to identify specific strategies to help schools promote nutrition education while meeting the demands of state academic standards and to encourage each state to identify a focal point to promote collaborative efforts that would further develop nutrition education activities for schools. (The report is available at http://www.gao.gov/new.items/d03506.pdf.)

Goal 3: Safe Schools, Strong Character

There were no Department evaluations or GAO studies completed in FY 2003 that related to Goal 3, Safe Schools and Strong Character, with the exception of those mentioned under Goal 2 on student achievement.

Goal 4: Research

There were no Department evaluations or GAO studies completed in FY 2003 that related to Goal 4, Research, with the exception of those mentioned under Goal 2 on student achievement.

Goal 5: Postsecondary and Adult Education

The Department completed one evaluation related to Goal 5, Postsecondary and Adult Education: *The Evaluation of Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP)* (available at http://www.ed.gov/rschstat/eval/other/gearup.html).

GEAR UP college access program gains momentum but faces implementation challenges. Created in 1998, GEAR UP is a discretionary grant program designed to increase the number of low-income students who are prepared to enter and succeed in postsecondary education. The services include distributing information about colleges; offering academic support; and promoting parental involvement in education, educational excellence, school reform, and student scholarships. The study released this year, *National Evaluation of GEAR UP: A Summary of the First Two Years*, examines the characteristics of students being served by GEAR UP, the activities and services provided to these students and their parents, and the additional professional development opportunities for teachers and curriculum development efforts that are taking place in these schools.

The study showed 237 GEAR UP partnerships were serving nearly 200,000 students in its second year of operation (2000–01). Of those 200,000, 90 percent were in the seventh or eighth grade and were predominately minority: 36 percent were Hispanic; 30 percent, African American; 26 percent, white; 5 percent, Native American and Hawaiian; and 3 percent, Asian. The climate in which GEAR UP had been received by local educators and school districts had taken a positive turn. Initially, GEAR UP was met with resistance by these schools because most viewed it as a hindrance that might dilute their school's focus on improving academics and test scores. However, by the second site visit in spring 2001, school staff perceptions of GEAR UP had significantly improved, with GEAR UP being seen as a positive force for academic improvement.

On average in 1999–2000 and 2000–01, GEAR UP partnerships received federal grants of $713,000, or about $660 per student. Most of the federal funds were used to fund staff, which usually consisted of a full-time director and possibly one other full-time staff member who were centrally located. In addition, these projects generally had full-time site coordinators and some part-time assistants at each participating middle school. Many projects had planned on having fairly elaborate decision-making processes and on involving numerous community partners. But in reality, GEAR UP partners relied heavily on project staff (e.g., project directors and coordinators) to plan and carry out project operations. Most of the partners have been education providers.

Two other areas where grantees' original designs have been difficult to implement are involvement of parents and volunteers. The sites visited as part of the evaluation study indicated they had a great deal of difficulty in getting parents involved in GEAR UP activities. A few sites reported success with institutes that enrolled parents in 9- to 10-week workshops or with extensive outreach efforts, individual meetings, and home visits. Sites also had problems with recruiting the intended number of volunteers to fill their staffing needs, which resulted in making more use of paid professional staff to provide services. An example of this occurred with tutoring, one of the two major services GEAR UP provides. Because the pool of volunteers was insufficient, schools had to rely on paid professionals, usually teachers, to act as tutors to GEAR UP

students. Although there were benefits of having paid professional tutors—high dosages of tutoring, experienced tutors, and curriculum alignment—a negative result that arose was the reduction of planned mentoring activities because of volunteer shortages. Additionally, projects experienced difficulty in attracting students during out-of-school hours because of transportation problems and competing interests.

However, college-planning activities such as fairs and college visits took place at almost all projects and were well received by students. In addition, one-third of the sites visited provided individual guidance to all students or to students having academic or behavioral difficulties. Professional development activities also increased significantly between years one and two as teachers became more accepting of GEAR UP. Focus groups indicated that teachers were generally satisfied with the professional development opportunities that GEAR UP provided. Some projects scaled back their summer plans in the second year (summer 2001) in terms of length and expected number of participants because of difficulties in attracting summer participants.

There were five GAO studies in FY 2003 that related to Goal 5, Postsecondary and Adult Education:

- Special Education: Federal Actions Can Assist States in Improving Postsecondary Outcomes for Youth (GAO-03-773, July 2003).
- Transportation-Disadvantaged Populations: Some Coordination Efforts Among Programs Providing Transportation Services, but Obstacles Persist (GAO-03-697, June 2003).
- Workforce Investment Act: One-Stop Centers Implemented Strategies to Strengthen Services and Partnerships, but More Research and Information Sharing Is Needed (GAO-03-725, June 2003).
- College Completion: Additional Efforts Could Help Education With Its Completion Goals (GAO-03-568, May 2003).
- Student Financial Aid: Monitoring Aid Greater Than Federally Defined Need Could Help Address Student Loan Indebtedness (GAO-03-508, April 2003).

Special Education: Actions Can Assist States in Improving Postsecondary Outcomes. Of all IDEA youth who left high school during the 2000–01 school year, 57 percent received a standard diploma, and an additional 11 percent received an alternative credential. High school completion patterns of IDEA youth have remained stable over recent years despite concerns that states' increasing use of exit examinations would result in higher dropout rates. In light of this, GAO recommended that the Department of Education (1) gather and provide states with information on sound strategies to collect and use postsecondary data; (2) develop a plan to provide states with timely feedback and consistent quality of technical assistance; and (3) coordinate with other federal agencies to provide IDEA students and their families with information on federally funded transition services. (The report is available at http://www.gao.gov/new.items/d03773.pdf.)

Transportation-Disadvantaged Populations. Sixty-two federal programs—most of which are administered by the Departments of Health and Human Services, Labor, Education, and Transportation—fund transportation services for the transportation disadvantaged. GAO recommended that the Departments of Labor and Education join the Coordinating Council on Access and Mobility. GAO also recommended that the Departments of Health and Human Services, Labor, Education, and Transportation strengthen the Coordinating Council's strategic plan, include long-term goals and measures for coordination in their agencies' strategic and annual performance plans, and develop and distribute additional guidance and information to encourage coordination. The Departments of Health and Human Services, Labor, Education, and Transportation generally concurred with the findings and recommendations in this report. (The report is available at http://www.gao.gov/new.items/d03697.pdf.)

Workforce Investment Act. Of the 14 one-stop centers in GAO's study that were identified as exemplary by government officials and workforce development experts, all had implemented a range of promising practices to streamline services for jobseekers, engaged the employer community, and built a solid one-stop infrastructure. While Labor currently tracks outcome data—such as job placement, job seeker satisfaction, and employer satisfaction—and funds several studies to evaluate workforce development programs and service delivery models, little is known about the impact of various one-

stop service delivery approaches on these and other outcomes. Therefore, GAO recommended that the Secretary of Labor collaborate with the Departments of Education, Health and Human Services, and Housing and Urban Development to develop a research agenda that examines the impact of various approaches to one-stop program integration on outcomes, such as job placement and retention, and jobseeker and employer satisfaction. GAO also recommended that the Secretary conduct a systematic evaluation of the Promising Practices Web site and ensure that it is effective. (The report is available at http://www.gao.gov/new.items/d03725.pdf.)

College Completion. More than half of all students who enrolled in a four-year college completed a bachelor's degree within six years. Students were less likely to complete if neither parent had completed a degree, they were black, they worked 20 or more hours per week, or they transferred to another college. GAO recommended that the Secretary consider multiple measures that would help account for the other goals of higher education and differences among colleges and take steps to identify and disseminate information about promising practices in retention and graduation. (The report is available at http://www.gao.gov/new.items/d03568.pdf.)

Student Financial Aid. GAO found that in school year 1999–2000, of the 3.4 million full-time/full-year federal aid recipients, 22 percent (732,000) received a total of $2.96 billion in financial aid that was greater than their federally defined financial need. Changing the Higher Education Act (HEA) to limit the receipt of aid that is greater than students' federally defined financial need is not likely to achieve significant federal savings, although the use of substitutable loans may increase overall student indebtedness. In terms of cost implications, limiting those instances where federal aid recipients receive substitutable loans—which is the main reason that students received aid greater than their federally defined need—will not likely result in significant savings. Although the government will not have to pay default claims or special allowance payments on loans it guarantees, it would forgo any interest earnings on loans it makes directly. Any savings from limiting these loans would be substantially less than the total amount of the loans made—the $2.72 billion. However, the widespread use of substitutable loans may increase the average debt of borrowers and may affect the Department's ability to help students and their families maintain their loan debt at manageable levels. To ensure that substitutable loans will not lead to unmanageable student loan indebtedness, GAO recommended that the Secretary monitor the impact of substitutable loans on student loan-debt burden and, if debt burden associated with substitutable loans rises substantially, develop alternatives to help students manage student loan-debt burden. (The report is available at http://www.gao.gov/new.items/d03508.pdf.)

Goal 6: Department Management

There were seven GAO studies in FY 2003 that related to Goal 6, Department Management:

- Department of Education: Status of Efforts to Address Major Management Challenges (GAO-03-531T, March 2003).
- Student Loans and Foreign Schools: Assessing Risks Could Help Education Reduce Program Vulnerability (GAO-03-647, July 2003).
- Taxpayer Information: Increased Sharing and Verifying of Information Could Improve Education's Award Decisions (GAO-03-821, July 2003).
- Disadvantaged Students: Fiscal Oversight of Title I Could Be Improved (GAO-03-377, February 2003).
- Federal Student Aid: Timely Performance Plans and Reports Would Help Guide and Assess Achievement of Default Management Goals (GAO-03-348, February 2003).
- Major Management Challenges and Program Risks: Department of Education Management (GAO-03-99, January 2003).
- Federal Student Aid: Progress in Integrating Pell Grant and Direct Loan Systems and Processes, but Critical Work Remains (GAO-03-241, December 2002).

Department of Education: Status of Efforts to Address Major Management Challenges. GAO noted that the Department was taking steps to reduce vulnerabilities in its student aid programs and improve its financial management. The report cited the establishment of a senior management team to address management problems, including financial management, throughout the agency. Although noting that we have made significant progress, GAO said that weaknesses remain that will require the continued commitment and

vigilance of Education's management to resolve. (The report is available at http://www.gao.gov/new.items/d03531t.pdf.)

Student Loans and Foreign Schools. Almost 70 percent of all U.S. residents receiving Federal Family Education Loan (FFEL) funds to attend foreign schools are in medical school, and they account for three-quarters of the total loan volume. GAO found that FFEL is vulnerable to fraud, waste, and abuse in several ways. For instance, many foreign schools do not submit required audited financial statements and program compliance audit reports, which would allow the Department to monitor for and detect significant fraud or other illegal acts. GAO recommended that the Department develop online training resources specifically designed for foreign school officials and undertake a risk assessment to determine how best to ensure accountability while considering costs, burden to schools and students, and access to foreign schools. (The report is available at http://www.gao.gov/new.items/d03647.pdf.)

Taxpayer Information. A 1998 amendment to HEA was intended to authorize the matching of student aid applicant information with several elements of federal income tax return information. However, HEA could not be used as intended because Internal Revenue Code Section 6103 was not specifically amended so that the Department and its contractors, which assist the Department in administering the various financial aid programs, could have access to taxpayer information. Based on a study that matched Department data and Internal Revenue Service (IRS) income information, the Department estimates that it made approximately $602 million in grant overpayments during fiscal years 2001 and 2002. GAO did not make any recommendations for the Department. However, GAO previously recommended that Congress consider legislation to authorize IRS to release individual income data to the Department so that the Department could verify income on student-aid applications. (The report is available at http://www.gao.gov/new.items/d03821.pdf.)

Disadvantaged Students: Oversight of Title I. Although Title I program officials had little difficulty in applying the Maintenance of Effort (MOE) provision because it involves a straightforward calculation, state and local program officials and auditors with whom GAO spoke cited a number of factors that made it difficult to enforce the Supplement Not Supplant (SNS) provision under certain circumstances. One of the challenges auditors faced was determining whether a school district would have removed its own funds from a program and allocated them elsewhere even if federal funds had not been available—an action that is allowable. Another challenge was applying the SNS provision in circumstances where it is difficult to track federal dollars, such as in schoolwide programs—where all funds are pooled—or in districts undergoing significant districtwide reforms—where comparisons to previous budgets are problematic. To more effectively focus audit resources, Congress should consider eliminating the SNS requirement for schoolwide programs—where it is unworkable—and increase the MOE requirement. In addition, GAO recommended that the Secretary enhance technical assistance and training efforts to ensure better oversight of Title I's fiscal requirements and more effective use of the single audit process. (The report is available at http://www.gao.gov/new.items/d03377.pdf.)

Federal Student Aid: Timely Performance Plans and Reports. The default management goals of the Office of Federal Student Aid (FSA) were mostly to prevent defaults, increase collections, and verify student eligibility, but the agency lacked a plan to guide its efforts. FSA met or exceeded most goals, but did not prepare timely performance reports. According to GAO's analysis, FSA met or exceeded performance targets for 36 of its 39 default management goals during fiscal years 2000 through 2002. However, FSA did not issue performance reports for fiscal years 2000 and 2001, as required by HEA. Instead, in December 2002, FSA issued one report for both fiscal years that lists accomplishments, but does not clearly indicate the extent to which goals were or were not met. GAO recommended that the Secretary and FSA's chief operating officer produce a five-year performance plan annually as required by the HEA, and prepare and issue timely reports to the Congress on FSA's performance that clearly identify whether performance goals were met. (The report is available at http://www.gao.gov/new.items/d03348.pdf.)

Major Management Challenges and Program Risks: Department of Education Management. GAO noted that the Department has taken steps to address its continuing challenges of reducing vulnerabilities in its student aid programs and improving its financial management, such as establishing a

senior management team to address key issues. However, GAO noted that the Department will face new management challenges as it helps states and school districts meet the goals and requirements of the No Child Left Behind Act (NCLB). In particular, GAO noted that the Department will need to monitor states' and school districts' efforts to have students meet challenging academic standards and ensure that all teachers meet standards outlined in NCLB, develop and enforce rigorous standards for research projects we conduct and fund, and help states meet the increased assessment and accountability requirements of NCLB. (The report is available at http://www.gao.gov/pas/2003/d0399.pdf.)

Federal Student Aid: Progress in Integrating Pell Grant and Direct Loan Systems and Processes. GAO noted that although FSA has made progress in implementing the Common Origination and Disbursement (COD) process, the implementation of the COD process is behind schedule, and its ultimate success hinges on FSA's completing critical work, including addressing serious postimplementation operational problems and having thousands of postsecondary schools implement the common record. GAO recommended that the Secretary direct the Chief Operating Officer, FSA, to establish a process to capture and disseminate lessons learned to schools. (The report is available at http://www.gao.gov/new.items/d03241.pdf.)

Appendix E

Management Challenges

Management Challenges

Management Challenges of the Department of Education
October 2003

We are providing the management challenges for the Department of Education in accordance with the provisions of the Reports Consolidation Act of 2000 (PL 106-531).

Detailed information about our work is available on our website at http://www.ed.gov/offices/OIG

Inspector General

John P. Higgins, Jr.

CHALLENGE 1: FINANCIAL MANAGEMENT

Sound financial management is essential to the Department's ability to provide accurate financial information, to manage for results, and to ensure operational integrity. The Department's stewardship of billions of federal education dollars depends on a reliable, consistent financial management system to deliver services and benefits to recipients. Improving financial performance is also an item on the President's Management Agenda (PMA). Two significant financial management challenges face the Department: accelerated reporting and re-implementing its financial management system.

- Accelerated reporting

The production of interim and final financial statements for the Office of Management and Budget (OMB) on an accelerated schedule is a prominent challenge for the Department. The Department's Office of the Chief Financial Officer (OCFO) produces the Department-wide financial statements and separate statements for Federal Student Aid (FSA). OMB guidance shortens the time to prepare and audit these year-end financial statements from 120 days for fiscal year (FY) 2003, to 45 days for FY 2004 and beyond. The guidance also shortens the time to prepare unaudited interim statements from 45 days to 21 days. The Department's ability to meet these accelerated time frames will depend on having effective and timely interim and year-end procedures to accumulate and record financial transactions, close the books, and prepare the financial statements.

- Implementation of Oracle 11i

OCFO and FSA recently completed separate implementations of Oracle Federal Financials. The Department plans to re-implement the Oracle system as version 11i to take advantage of enhancements and to stay current with Oracle-supported products. An implementation of this magnitude is a significant and complex undertaking that must be carefully planned and diligently executed. Many decisions are yet to be made that will significantly affect financial reporting capabilities within the Department. In addition, an implementation of this magnitude will eventually draw upon the current resources of OCFO and FSA staff focused on financial management and reporting responsibilities.

Department's Progress

The Department has made improvements in financial management. The Department's and FSA's FY 2002 financial statements received an unqualified audit opinion, a major milestone in the Department's progress toward strengthening its financial management. The Department also successfully met OMB's accelerated due date for its FY 2002 Performance and Accountability Report. The Department has issued the FY 2003 quarterly financial statements required by OMB. In addition, the Department has set a goal of issuing its and FSA's audited FY 2003 financial statements by November 15, 2003. Issuing statements in November implements the FY 2004 reporting requirement one year ahead of schedule.

The Department's target date to go live with the Oracle 11i system is October 2006. The Department has developed a four-tier approach for implementation: conduct impact assessments, develop an upgrade strategy and approach, develop a detailed implementation plan, and implement version 11i.

CHALLENGE 2: FEDERAL STUDENT AID PROGRAMS

The Department's student financial assistance programs are large and complex, affecting more than 37 million parents and students, and involving about 6,000 schools, more than 4,000 lenders, three dozen guaranty agencies, and many third-party servicers and contractors. Last year the Department disbursed and guaranteed approximately $65 billion and managed a $267 billion loan portfolio. Funding for these programs has doubled in the last ten years alone. These programs are inherently risky due to their complex design, reliance on numerous entities, and the nature of the borrower population. They have been on the General Accounting Office's (GAO) high risk list since 1990, and the PMA includes elimination of fraud and error in student aid programs and deficiencies in the Department's financial management as a program initiative. Reducing this risk while maintaining access to these programs is a dominant challenge for the Department.

- Income data match with Internal Revenue Service

Matching income information that applicants provide with information maintained by the Internal Revenue Service (IRS) is the single most effective way to address falsification on applications for student financial assistance. The Higher Education Act requires applicants for aid to provide certain information that will enable the Department to determine their eligibility. Some applicants give false information about their income or dependency status to receive aid they are not eligible to receive. The Department estimated that $336 million in Pell grants was improperly disbursed in FY 2001 because applicants understated their income. Obtaining amendments to the Internal Revenue Code, in a manner that can provide an effective match with the IRS on income information, is critical to addressing this problem.

- Oversight and program review

FSA is responsible for oversight of schools, guaranty agencies, lenders, and third-party servicers retained by these entities. Adequate oversight and program review are key components to reducing abuse in student financial assistance programs. We have found a number of deficiencies that could have been prevented by more stringent oversight and review. For example, during FY 2002 we performed audits at nine guaranty agencies and recommended recovery of approximately $164 million in federal funds. The number of on-site program reviews at schools has dropped, and the average program review liability has also declined sharply. Fewer and limited-scope on-site reviews increase the potential for abuse and mismanagement.

- Contract monitoring

FSA must improve its contractor oversight to ensure that contract terms and conditions are met and that it receives the high-quality goods and services required. We have performed a number of audits and found weaknesses in FSA's contracting processes. Although FSA was provided certain procurement flexibilities under the Performance Based Organization provisions of the Higher Education Act, it still must adhere to the Federal Acquisition Regulation.

Department's Progress

The Department has made a strong commitment to addressing factors that resulted in the student financial assistance programs' placement on GAO's high risk list, and has made progress in reducing risk in these programs. The Department has committed to brief GAO periodically on its progress. The Department also worked with OMB and the Treasury Department to draft proposed amendments to the Internal Revenue Code necessary to implement the IRS match, and continues to work with OMB to support the proposed legislative change.

FSA also has taken steps to improve its program oversight and contract monitoring. It is developing an improved electronic management system to provide case teams electronic access to all information on a school. Implementation of this system would streamline and improve the process for reviews of statutorily required audits and recertifications of schools. At FSA's request, we have performed audits of several of FSA's major contracts, and preaward reviews of proposals submitted for a new loan servicing system contract.

CHALLENGE 3: INFORMATION TECHNOLOGY

The Department's more than 70 systems must be capable of ensuring the availability, confidentiality, and integrity of the data they contain. Critical operations, assets, and sensitive information must be safeguarded from unauthorized access, disruption, and loss. It is essential for the Department to continue its efforts to address information technology (IT) security weaknesses to protect the systems used to administer billions of education dollars under its stewardship.

- IT investment management

The Department needs both an enterprise architecture and an investment management capability to use its systems in a cost-effective and efficient way. The development of a formal process for ensuring that investment decisions are consistent with the enterprise architecture is also necessary for IT systems to function well across the Department.

- IT security

We have determined that the Department has not fully implemented an agency-wide information security program in accordance with the Federal Information Security Management Act. We have also identified significant security weaknesses on the servers and databases that support the Department's mission-critical systems. Although the Department has made significant improvements within the agency-wide information security program, the majority of its general support systems (GSS) and major applications (MA) have not been formally certified to process data in accordance with OMB guidance. We continue to find repeated management, operational, and technical control weaknesses in systems operated at Departmental contractor facilities.

- Critical infrastructure protection program

While participating in a government-wide audit coordinated through the President's Council on Integrity and Efficiency, we found that the Department needs to improve its critical infrastructure protection (CIP) program to secure the infrastructure necessary to provide services for its core missions. As stated in our March 2003 audit report, we found that while the Department has made significant progress since our 2000 review of the program, it still needs to take major steps before mission-essential cyber assets and related infrastructures are fully identified and adequately protected. The Department's cyber assets and related infrastructures are still at risk.

- IT contingency planning

IT resources are vital to an organization's success, and it is critical that the services provided by the Department's systems operate effectively in the event of a disaster or disruption to normal system services. The Department needs viable IT contingency plans to support this requirement. In our assessment of FSA's IT contingency planning, we concluded that FSA needs to improve IT contingency planning, testing, and coordination.

Department's Progress

The Department has made significant progress since our 2002 report on the Government Information Security Reform Act. For example, it has implemented a plan to prioritize security weaknesses on all its systems, and is currently addressing the identified security vulnerabilities. It has also embarked upon a formal certification and accreditation process (C&A) for all GSS and MA, and it plans to complete C&A for its most critical systems by December 2003 and for all other systems by December 2004. The Department recently announced that it has certified and accredited 10 systems, including two of its mission-critical systems, although we have not had an opportunity to verify that assertion. The Department also indicated that it has funded a Project Matrix interdependency study for all mission essential assets. It is also working toward completion of an enterprise-wide architecture and development of mature investment management processes. In addition, the Department is devoting considerable resources to establish and test contingency provisions for its systems.

CHALLENGE 4: PROGRAM PERFORMANCE AND ACCOUNTABILITY

Performance and results are increasingly linked to financial reporting and to budget and funding decisions, and budget and performance integration is an item on the PMA. OMB assessed the performance of more than 200 federal programs in formulating the President's FY 2004 budget. Eighteen education programs were included in that assessment, including Safe and Drug Free Schools State Grants, Even Start, and Pell Grants. We reviewed these assessments and reported our results to OMB. Since program performance and results now may have financial consequences, there is a greater risk of fraudulent reporting of performance information.

- Data reliability

The No Child Left Behind Act mandated major changes in federal education policy and placed additional requirements on states to gather and report data. Successful implementation of the Act's provisions pertaining to teacher quality, student achievement, and other areas depends on reliable data. Many states lack procedures and controls necessary to report reliable data, including school improvement data.

This year, at the request of the Office of Vocational and Adult Education, we audited the accuracy, completeness, and reliability of vocational education and performance data in three states and a sample of sub-recipients in each of those states. We found that one state did not report vocational education and performance data for 64 percent of its community colleges. Another state did not report performance data for 15 percent of its sub-recipients and used a previous year's data to estimate academic attainment reported for secondary schools. For one local agency, 49 percent (852 of 1,743) of students' records were reported more than once in some performance indicators. Accurate data is critical as it could affect how much funding states receive. The vocational education and performance data is used to identify states that are eligible for incentive grant awards under the Workforce Investment Act.

- Monitoring

Monitoring is an essential component for improving accountability of federal education expenditures. Vigorous program and contract monitoring helps ensure that federal education dollars are administered and used in the most effective and efficient manner, and is critical to program success. We have identified areas that can be improved in the Department's monitoring of its programs and contracts. For example, we found that the Office of Elementary and Secondary Education (OESE) needed to implement a systematic process to identify and monitor high-risk grantees. We also recently issued a management information report suggesting that the Department revise its contract monitoring directive to include a definition of a high-risk contract and specific guidelines for identifying and monitoring high-risk contracts. The Department agreed with our suggestion.

- Program accountability and compliance

Our work disclosed special accountability and compliance issues for federal education programs in the Virgin Islands, Puerto Rico, and the Pacific Outlying Areas. There are serious instances of misuse of education funds by grantees that might have been detected and prevented through consistent oversight, such as on-site monitoring and the timely submission and effective resolution of Single Audits and performance reports. Our investigations and audits found internal control weaknesses in Puerto Rico. An investigation between 1995 and 2000 of the former Puerto Rico Secretary and Associate Secretary of Education disclosed a conspiracy to fraudulently obtain approximately $4.3 million for education contracts valued at approximately $138 million.

Department's Progress

The Department has focused attention on the need to improve data quality and reliability. It has addressed this issue in its strategic plan, and the Secretary has made accountability a key priority. The Assistant Secretary for OESE convened a working group that developed and issued improved strategies and procedures for identifying high-risk grantees, and outlined the steps program officers should take when dealing with a grantee that is at risk of becoming, or currently is, a high-risk grantee. The Department also established an Insular Affairs Committee comprised of senior program office representatives to address accountability and compliance issues in the Virgin Islands, Puerto Rico, and the Pacific Outlying Areas. This committee is focusing on resolving findings in the Single Audits submitted by these areas. In addition, the Department has imposed special conditions on grants to some of these entities.

CHALLENGE 5: HUMAN CAPITAL

GAO placed strategic management of human capital on its high risk list in 2001. The fundamental human capital problem GAO identified is the long-standing lack of a consistent strategic approach to managing and maintaining the workforce necessary for a more effective and efficient government. On the PMA, the need for the strategic management of human capital is the first item listed. The PMA, referencing the GAO report, cites the need for workforce restructuring "to reduce the distance between citizens and decision-makers;" implementation of knowledge management systems to generate, capture, and disseminate knowledge and information; human resources planning to address upcoming retirements; and greater attention to recruiting and retaining a highly qualified workforce. In addition, GAO noted that continuing the implementation of strategic human capital measures, including succession planning and staff development, were important to reducing the high risk designation of the SFA programs. The Department needs to address the challenges identified by GAO and the PMA, including planning for the impact of changes in existing personnel; about 34 percent of its career staff were eligible to retire in 2001.

Department's Progress

The Department included a specific human capital objective in its strategic plan, and in 2002 developed its One-ED Report, which it calls its human capital plan. This report discusses the PMA's call for strategic management of human capital. Human capital action steps also were included in the Department's Blueprint for Management Excellence. Specific functions in five offices in the Department have completed initial work under One-ED. One-ED includes a discussion of competitive sourcing, a five-tier performance appraisal system, and learning tracks. It does not, however, offer a Department-wide or Department-specific approach to some significant human capital issues such as human resource planning, workforce restructuring, and knowledge management. We have started a review of the first phase of the Department's implementation of One-ED and a review of human capital action steps under the Blueprint for Management Excellence that have been identified as completed. Based on our work, we will make recommendations to aid the Department in strengthening its human capital management.

Glossary of Abbreviations and Acronyms

Glossary of Abbreviations and Acronyms

21st CCLC	21st Century Community Learning Centers
AARTS	Audit Accountability and Resolution Tracking System
ACSI	American Customer Satisfaction Index
AEFLA	Adult Education and Family Literacy Act
AID	Aid for Institutional Development
AP	Advanced Placement
ATA	Assistive Technology Act
ATMD	Assistive Technology Mobility Device
BCP	Business Continuity Plans
C&A	Certification and Accreditation
CCD	Common Core of Data
CDC	Centers for Disease Control
CHAFL	College Housing and Academic Facilities Loans
COD	Common Origination and Disbursement
COOP	Continuity of Operations Plan
CPS	Central Processing System
CRA	Civil Rights Act
CRCMS	Civil Rights Case Management System
CSB	Common Services for Borrowers
CSRS	Civil Service Retirement System
DCIA	Debt Collection Improvement Act
DCMS	Debt Collection Management Systems
DEOA	Department of Education Organization Act
DLOS	Direct Loan Origination System
DM	Department Management
DOEAA	Department of Education Appropriations Act
DOJ	Department of Justice
DRP	Disaster Recovery Plan
DVR	Division of Vocational Rehabilitation

ECEPD	Early Childhood Educator Professional Development
EDA	Education of the Deaf Act
EDCAPS	Education Department's Central Automated Processing System
EDEN	Education Data Exchange Network
EDNet	Education Department's Basic Communications Network
EDPAS	Education Department Performance Appraisal System
ELL	English Language Learner
ERIC	Educational Resources Information Center
ESEA	Elementary and Secondary Education Act
ESRA	Education Sciences Reform Act
FAFSA	Free Application for Federal Student Aid
FASAB	Federal Accounting Standards Advisory Board
FBCO	Faith-Based and Community Organization
FECA	Federal Employees Compensation Act
FERS	Federal Employees Retirement System
FFB	Federal Financing Bank
FFEL	Federal Family Education Loan
FFMIA	Federal Financial Management Improvement Act
FICA	Federal Insurance Contributions Act (Social Security)
FIE	Fund for the Improvement of Education
FISMA	Federal Information Security Management Act
FMFIA	Federal Managers' Financial Integrity Act
FMSS	Financial Management System Software
FSA	Office of Federal Student Aid
FTE	Full-Time Equivalent
FY	Fiscal Year
GAAP	Generally Accepted Accounting Principles
GAO	General Accounting Office
GAPS	Grant Administration and Payment System
GED	General Educational Developmental
GEAR UP	Gaining Early Awareness and Readiness for Undergraduate Programs

GISRA	Government Information Security Reform Act
GPRA	Government Performance and Results Act
GRS	Graduation Rate Survey
HBCU	Historically Black College and University
HEA	Higher Education Act
HEFL	Higher Education Facilities Loans
HEROES	Higher Education Relief Opportunities for Students Act
HHS	Department of Health and Human Services
HKNCA	Helen Keller National Center Act
HSI	Hispanic-Serving Institution
IASA	Improving America's Schools Act
IDEA	Individuals with Disabilities Education Act
IDS	Intrusion Detection Services
IES	Institute of Education Sciences
IPEDS	Integrated Postsecondary Education Data System
IRS	Internal Revenue Service
IT	Information Technology
LAP	Lender Application Process
LaRS	Lenders Reporting System
LEA	Local Educational Agency
MECEA	Mutual Educational and Cultural Exchange Act of 1961
MIS	Management Information Systems
MOE	Maintenance of Effort
MOU	Memorandum of Understanding
MS	Minimally Successful
MSI	Mathematics and Science Initiative
MSP	Mathematics and Science Partnership
MVHAA	McKinney-Vento Homeless Assistance Act
NAEP	National Assessment of Educational Progress
NAGB	National Assessment Governing Board
NBPTS	National Board for Professional Teaching Standards

NCER	National Center for Education Research
NCES	National Center for Education Statistics
NCLB	No Child Left Behind Act
NCVS	National Crime Victimization Survey
NHES	National Household Education Survey
NIDRR	National Institute on Disability and Rehabilitation Research
NIST	National Institute of Standards and Technology
NLA	National Literacy Act
NPEC	National Postsecondary Education Cooperative
NPSAS	National Postsecondary Student Aid Study
NRS	National Reporting System
NSF	National Science Foundation
NSLDS	National Student Loan Data System
OCIO	Office of the Chief Information Officer
OCFO	Office of the Chief Financial Officer
OCR	Office for Civil Rights
OESE	Office of Elementary and Secondary Education
OELA	Office of English Language Acquisition
OERI	Office of Educational Research and Improvement
OIG	Office of Inspector General
OM	Office of Management
OMB	Office of Management and Budget
OPE	Office of Postsecondary Education
OPM	Office of Personnel Management
OSDFS	Office of Safe and Drug-Free Schools
OSEP	Office of Special Education Programs
OSERS	Office of Special Education and Rehabilitative Services
OVAE	Office of Vocational and Adult Education
PAR	Performance and Accountability Report
PART	Program Assessment Rating Tool
PBDMI	Performance-Based Data Management Initiative

PIRC	Parental Information and Resource Centers
PIRWG-LT	Planning and Investment Review Group Leadership Team
PL	Public Law
PLUS	Parental Loans for Undergraduate Students
PMA	*President's Management Agenda*
POA&M	Plan of Actions and Milestones
RA	Rehabilitation Act
REAP	Rural Education Achievement Program
RFMS	Recipient Financial Management System
RFP	Request for Proposal
RSA	Rehabilitation Services Administration
SAMHSA	Substance Abuse and Mental Health Services Administration
SBR	Statement of Budgetary Resources
SEA	State Educational Agencies
SEOG	Supplemental Educational Opportunity Grant
SERV	School Emergency Response to Violence
SFA	Student Financial Assistance
SFFAS	Statement of Federal Financial Accounting Standards
SNS	Supplement Not Supplant
SS/HS	Safe Schools/Healthy Students Initiative
SY	School Year
T^2RERC	Rehabilitation Engineering Research Center on Technology Transfer
TAC	Teacher Assistance Corps
TASSIE	Title I Accountability Systems and School Improvement Efforts
TCU	Tribal College and University
U	Unacceptable
USC	United States Code
USCO	Unsafe School Choice Option
VR	Vocational Rehabilitation
VTEA	Vocational and Technical Education Act
WWC	What Works Clearinghouse
YRBSS	Youth Risk Behavior Surveillance System

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The Department's Strategic Plan is available on the Web at:
http://www.ed.gov/about/reports/strat/plan2002-07/index.html

Department annual plans and annual reports are available on the Web at:
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The Department welcomes all comments and suggestions on both the content and presentation of this report. Please forward them to:

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For database design and support:	Digicon Corporation
For graphic design:	Ketchum
For accounting services:	IBM Business Consulting Services
	KPMG, LLP
	Cotton & Company, LLP

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