

U.S. Department of Education's Results Agenda July 2004



The people at the United States Department of Education are producing valuable results that benefit our customers and American taxpayers.

The Department of Education administers an annual budget in excess of \$63 billion through programs, grants, and loans that serve approximately 14,000 public school districts, nearly 54 million students attending 93,000 elementary and secondary schools, and almost 22 million post-secondary students.

The primary beneficiaries of this work are the children and students of this country. The Department of Education is helping the children and students of this country live productive, satisfying lives. The Department of Education is keenly focused as well on operating effectively so as to make the best possible use of taxpayer resources.

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I. What Selected Valuable Results the People of the Department of Education Are Producing

Results in Elementary and Secondary Education

America's children are better served as a result of the No Child Left Behind Act. The No Child Left Behind Act holds states and local school districts accountable for raising academic achievement and for taking direct action to enhance schools in need of improvement. The people of the Department of Education have produced valuable results under the No Child Left Behind Act, including:

- For the first time in the history of the Department, obtaining and approving accountability plans for all 50 states, plus the District of Columbia, Puerto Rico and American Samoa. These plans commit the states to educational standards. This result was accomplished just 18 months after the law was enacted due to unprecedented levels of interactions between the Department of Education and the states. Prior to the enactment of the No Child Left Behind Act, only 11 states had approved accountability plans.
- Increasing educational options for parents and students by supporting the planning, development, and initial implementation of charter schools through grants to public and nonprofit entities. The number of charter schools has increased 15 percent from 2002 to approximately 2,700 in 2003. An estimated 700,000 children attend these schools.
- Increasing the number of supplemental services available to address educational needs of children. Parents can select from the over 1,600 supplemental service providers approved by the states. With this option,

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parents for the first time can find a program that is focused, rigorous, and directed at the specific needs of their child.

- Implementing, in conjunction with the District of Columbia mayor's office, the District of Columbia Choice Incentive Program, the first federally funded program in the nation to provide "equal opportunity scholarships" to low-income students to attend parochial or private schools. The program will add another 2,000 children to the growing list of low-income students in the District of Columbia who are looking to achieve their dreams through the best education available.
- Since January 2003, increasing from 11 to 109 (a 900 percent increase) the number of faith-based and community organizations providing tutoring and other supplemental academic enrichment services under the No Child Left Behind Act.
- Entering into an action plan agreement with the Puerto Rico Department of Education to address systemic issues that will help them meet their fiscal and programmatic responsibilities under the No Child Left Behind Act. As a result of this effort, the Puerto Rico Department of Education created an Internal Audit Office and passed legislation that created an Audit Oversight Committee that provides independent review and oversight of their activities and assures their commitment to maintaining strong internal controls, quality financial reporting, and compliance with program objectives and regulations.

The percentage of faith-based and community organizations providing supplemental academic enrichment services has increased by 900 percent since January 2003.

The early evidence from these results and the efforts at the state and local level are beginning to have an impact on the children of this country. For example, results from the 2003 fourth-grade National Assessment of Educational Progress reading assessments are higher than previous years. Specifically:

- A higher percentage of fourth-grade readers scored at or above Basic than in 1994, 1998, and 2000;
- A higher percentage of fourth-grade readers scored at or above Proficient than in 1992 and 1998;
- Fourth-grade white students, black students, and Hispanic students had higher average reading scores than in 1994, 1998, and 2000;
- The average score gap between white and black fourth graders was smaller than in 1994; and
- The gap between white and Hispanic fourth graders narrowed between 2000 and 2003.

Early evidence shows improvement in math and reading scores.

In addition, average National Assessment of Educational Progress mathematics scores for fourth and eighth graders were higher in 2003 than in all previous assessment years.



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Results in Postsecondary Education

The Department of Education operates the Office of Federal Student Aid, which oversees over \$320 billion in loans and grants funding education for more than 13 million customers annually. In 1998, in an effort to simplify the delivery of federal student aid, improve customer service, and reduce costs, the Office of Federal Student Aid became one of the first federal Performance-Based Organizations. To become a performance and results-oriented organization, the Office of Federal Student Aid has used information technology to simplify and improve business processes and to manage cost. To achieve these results, the people of the Office of Federal Student Aid have transformed the aid process from paper to electronic and implemented e-business solutions for postsecondary schools and financial institutions participating in the federal student aid programs.

One example of the success realized by the Office of Federal Student Aid is that the customer satisfaction rating of the student aid application process has soared to 86% - only Amazon.com scores better. This level of customer satisfaction is a direct result of increasing the percentage of electronic applications to 76 percent of all applicants (compared to 32 percent four years ago) and providing a response to on-line applications in fewer than 24 hours.

Another example of the Office of Federal Student Aid's success is that the Customer Satisfaction Index Scores for Direct Loan Servicing are better than other service companies such as Wachovia Bank, Wells Fargo, and WalMart.

In managing and delivering federal student aid to college students throughout the country, the Office of Federal Student Aid has produced excellent customer satisfaction scores while managing an increased workload with improved productivity. Specifically, the people of the Office of Federal Student Aid have:

- Created \$1 billion of potential savings over the next 10 years by combining the functions of five separate systems into a single system that handles the Department of Education's direct loan servicing functions, loan consolidation processes and collection activities for \$320 billion in outstanding student loans.
- Increased the efficiency of Direct Loan consolidations, which has resulted in a reduction of the federal costs related to the consolidations from \$111 per consolidation in FY 2001 to \$66 per consolidation in FY 2004.
- Restructured private collection agency contracts to reduce unit costs and increase incentives for the most cost-effective use of collection tools and solutions. As a result, in FY 2003 for only \$45 million more than was spent in FY 2000, the Office of Federal Student Aid was able to collect \$396 million more from borrowers. In other words, for every additional dollar spent in collection fees, more than \$8 was returned in collections.
- In FY 2003, recovered more than \$429 million in defaulted student loans by matching the entire default loan portfolio with the National Directory of New

To ensure that all our citizens have the knowledge and skills necessary to meet national goals and to ensure individual economic success, the President is committed to providing equal access to quality postsecondary education for all Americans.

~Assistant Secretary for Postsecondary Education, Sally L. Stroup

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Hires, a database that contains employment and income information on all persons employed in the United States.

- Reduced the percentage of Pell Grant overpayments from 3.4% to 3.1% by, in part, redesigning the application process to help identify and prevent income-reporting errors by applicants.
- Reduced the student loan default rate from a high of 22.4% in 1990 to a current rate of 5.4% by, in part, increasing students' awareness of their obligations and flexible repayment options.
- Executed a comprehensive Aid Awareness and Access Strategy, which included the creation of a student aid web site (studentaid.ed.gov), where students and parents can plan for college, obtain information about colleges, apply to college, and apply for student aid using the Department of Education's online application.

These valuable results are ensuring the American taxpayer that the Department of Education is wisely managing resources in the delivery of federal student aid. They also help explain why long-term trends are showing that more Americans are attending and completing college and why underrepresented groups are participating in larger numbers.

Results in Special Education and Rehabilitative Services

The Department of Education is committed to improving results and outcomes for people with disabilities of all ages by providing a wide array of support to parents and individuals, school districts and states. By providing funding to programs that serve infants, toddlers, children and adults with disabilities, the Department works to ensure that these individuals are not left behind ... in school, in employment and in life.

Through federally funded research activities, the people of the Department of Education that manage the National Institute on Disability and Rehabilitation Research have helped bring about the following advancements for individuals with disabilities:

- New computerized technology for alignment of trans-tibial (leg) prostheses to improve the mobility of individuals with foot amputations.
- Development of an innovative and adaptive prototype that lowers the cost of prosthetic sockets for individuals with amputations by using sand as an alternative to the more expensive plaster-of-paris used in conventional methods.
- An improved power management and monitoring system that approximately doubles the life span of wheelchair batteries and reduces user stress,

The Department of Education is committed to improving results and outcomes for people with disabilities of all ages.



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repetitive motion injury, and other secondary disabilities while improving safety, ease of maintenance, and affordability.

- Development and dissemination of an effective new health behavior education curriculum that is being used by agencies in the United States and internationally to improve the physical activity and recreational skills of people with intellectual and developmental disabilities.

In addition to providing federal funding that provides technological advancements for people with disabilities, the people of the Department of Education help individuals with physical or mental disabilities obtain employment and live more independently by providing grants that support counseling, medical and psychological services, job training and other individualized services. Recent trends show that remarkable progress has been made in terms of helping people with disabilities achieve real employment. Specifically, state vocational rehabilitation agencies have:

- Increased the percentage of their customers who are successfully placed into competitive employment by four percent, from 73 percent in 2001 to 77 percent in 2002; and
- Increased the percentage of their successfully employed customers who earn the state average hourly wage by three percent, from 64 percent in 2001 to 67 percent in 2002.

Other results funded by grants supported by the Department's Rehabilitative Services include the development of an outstanding preschool program. The program serves children from ages three through five who have been diagnosed with autism, or with autistic-spectrum disorders. As a result of participation in this program, children have increased capacities for communication, social interaction and academic readiness. Following completion of the program, children are integrated, with or without support as needed, into classroom settings with non-disabled peers in their neighborhood schools.

By identifying what works based on the best available science and research, providing guidelines for early identification and intervention in schools, and fostering integrative employment opportunities and independent living, the people of the Department of Education are at the forefront of guiding policy designed to improve results and outcomes for persons with disabilities in the United States and throughout the world.

Results in Evidence-Based Education

To say that an instructional program or practice is grounded in evidence-based research means there is reliable evidence that the program or practice works. The No Child Left Behind Act sets forth rigorous requirements to ensure that research is scientifically based and puts special emphasis on determining what educational programs and practices have been proven effective through rigorous scientific

State vocational rehabilitation agencies have increased the percentage of disabled persons who are successfully placed into competitive employment.



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research. The people of the Department of Education help ensure that federal funding is targeted to support scientifically proven programs and teaching methods that work to improve student learning and achievement. For example:

- Arts Models Development and Dissemination grants support the further development, implementation and expansion of standards-based arts education programs and the integration of arts instruction into the core curriculum. The competitions to award these funds place special emphasis on the need for grantees to use scientifically based evaluations to determine what educational programs and practices are most effective. Federal funding can then be targeted to support those programs and teaching methods that are scientifically proven to improve student learning and achievement. One school district has used the Learning Through Arts program model to, among other things, include arts to meet the communication needs of all students, particularly culturally disadvantaged and language-deficient students. The performance data for this program indicates that students in the schools using this model are out-performing students at those schools not using the program.
- Reading First, a \$900 million state grant program, supports those programs that teach children five skills (phonemic awareness, phonics, fluency, vocabulary and comprehension). These skills have been shown to be critical to early reading success through years of scientifically based research on the practice of reading instruction. Reading First funds are being used to support a district-wide Direct Instruction reading program. This scientifically research-based program is helping improve reading skills for over 9,000 students in kindergarten through third grade. Initial reading mastery results for the elementary schools participating in the program indicate that 88% of the schools have all of their kindergartners reading at the first-grade level, and approximately 70% of the second graders are reading at or above grade level.
- Early Reading First provides funds to local education agencies and public or private organizations to prepare young children to enter kindergarten with the necessary language, cognitive, and early reading skills for learning success. Federal funds are awarded competitively to local programs that show they will enhance young children's language and cognitive development by providing high-quality instruction and ongoing professional development *using scientifically based research*.
- What Works Clearinghouse, which when fully implemented will provide educators, policy makers, and the public with a central, independent, and trusted source of scientific evidence of what works in education. In its first year of operation, the What Works Clearinghouse began systematic reviews of seven research topics that reflect a wide range of our nation's most pressing education issues.

Through these and other programs, such as nine new research programs that were established by the Institute of Education Sciences and focus in areas of high relevance for practice, the people of the Department of Education are providing

The current nationwide emphasis on ensuring that all students and schools achieve at high levels has increased the demand for sound evidence regarding "what works" in education.

~Director Grover J Whitehurst, Institute of Education Sciences

In one school district with a Reading First grant, 88% of the schools have all of their kindergartners reading at the first-grade level.



parents, educators, students, researchers, policymakers, and the general public with reliable educational practices that support learning and improve academic achievement and access to educational opportunities for all students.

Results in Civil Rights

The Department of Education's Office for Civil Rights is responsible for enforcing federal civil rights laws that prohibit discrimination by recipients of federal financial assistance on the basis of race, color, national origin, sex, disability and age. These civil rights laws represent a national commitment to end discrimination in education programs. These laws apply to nearly 15,000 school districts, over 4,000 colleges and universities, approximately 5,000 institutions conferring vocational certificates below the associate degree level, and thousands of other entities, such as libraries, museums, and vocational rehabilitation agencies. Overall, these laws protect nearly 53.6 million students attending elementary and secondary schools and nearly 15.6 million students attending colleges and universities.

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The people of the Office for Civil Rights have conducted more than 5,000 monitoring activities in the last several years. The following examples show the impact they are having on both individual students and groups of students when schools and colleges carry out the resolution agreement commitments that were facilitated by the Office for Civil Rights:

- Half of the African-American students who were enrolled in one high school transferred out after incidents of racially motivated physical assaults and taunting. After the district implemented the Office for Civil Rights-negotiated resolution agreement, the racial climate improved dramatically. The district made changes in responding to racial incidents and provided full-time staff to address student and community relations. The African-American enrollment is now back at the level it was before the complaint was filed with the Office for Civil Rights.
- The largest school district in a state had fewer than 10 trained teachers to provide services to about 3,000 English language learners. To comply with a resolution agreement it had entered into with the Office for Civil Rights, the district hired and trained more than 150 teachers for its English as a Second Language program.
- Mobility-impaired students now have access to educational programs and services at a major university. The university relocated certain academic programs, constructed new buildings and ramps, renovated bathrooms, installed elevators and lifts, lowered or replaced water fountains, provided parking spaces and posted appropriate signage.

The Department of Education's civil rights enforcement activities have a profound influence on the lives of students at all education levels across the country. Evidence from monitoring the outcome of agreements indicate that English



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language learners are progressing and graduating equally with their English-speaking peers in many school districts. English language learners are increasingly being provided equal opportunities for participation in special education, advanced courses, and extracurricular activities. In addition, evidence shows that agreements entered into with the assistance of the Office for Civil Rights are resulting in school districts and higher education institutions modifying athletic facilities, classrooms, and stadiums and providing accessible parking, restrooms, and water fountains.

I. How the People of the Department of Education are Operating Effectively to Produce Valuable Results

Effective, Sustained Leadership Process

The Department of Education's *Strategic Plan 2002-2007* outlines six goals that support the Department's mission. The people of the Department of Education specified objectives, strategies, and actions for each of these goals that are used to measure the Department's success in meeting its mission. The Department also uses its budget formulation process to establish its principal annual operating plan. The Department's annual operating plan refines the Department's priorities, activities, and policy direction for the year based on the overarching vision established in the *Strategic Plan*. This year the people of the Department are putting increased focus on strengthening the integration of budget and performance in its annual operating plan. They are examining all of the program performance measures to ensure that the most appropriate measures are in place and there are processes in place to collect the data associated with the measures. In addition, the Deputy Secretary and Under Secretary have articulated to their direct reports specific performance results for which they will be held accountable during fiscal year 2004.

The Department's Executive Management Team is responsible for aligning management efforts with the Department's *Strategic Plan*, maintaining the Department's focus on operating effectively with management excellence and accountability for results, and overseeing and measuring progress toward achieving the goals outlined in the *President's Management Agenda*. The Executive Management Team meets weekly and is led by the Department's Under Secretary and includes the Deputy Secretary, Chief Financial Officer, the Assistant Secretary for Management, the General Counsel, the Chief Information Officer, the Director of the Budget Service, the Director of the Executive Secretariat, and the Chief Operating Officer of Federal Student Aid. In addition, to the weekly Executive Management Team meetings, the Secretary, Deputy Secretary, and Under Secretary hold numerous meetings with the programmatic assistant secretaries to focus on the programmatic priorities and other actions of the Department. The Deputy Secretary and Under Secretary also work together to oversee discrete enterprise-wide initiatives such as the Department's Grants Improvement Initiative, which is focusing on enhancing the Department's

I will demand the same kind of accountability and results of myself and of this Department that I would demand of any school.

~Secretary Paige

The people of the Department are focusing on the integration of budget and performance in our annual operating plan.



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processes used to award grants, establish grantee performance expectations, and monitor performance of grantees.

In addition to the management processes outlined above, the Secretary, Deputy Secretary, Under Secretary, General Counsel, Assistant Secretary for Elementary and Secondary Education, and Secretary's Chief of Staff meet early each morning to address policy, programmatic, and operating issues that affect the Department.

To assist the Department's leaders in managing the agency's management priorities, the Department of Education uses Goal 6 of the Department's *Strategic Plan* (Establishing Management Excellence), the *Blueprint for Management Excellence*, and the *President's Management Agenda*. All three focus on the importance of improving the strategic leadership of the Department's human capital (including using competitive sourcing as a means for improving our processes and ensuring that we have the right people doing the job); developing and maintaining financial integrity; managing information technology to improve service for our customers; integrating budget and performance by linking funding decisions to results; reducing the fraud and error in the federal student aid programs; and leveraging the faith-based and community organizations to increase the effectiveness of Department programs.

Through the guidance provided and the goals set through these documents, the Department has, among other things:

- Dramatically improved internal controls and data integrity, as reflected in sequential clean audit opinions and the ability to use financial data on a day-to-day basis to help inform management and programmatic decisions throughout the Department;
- Improved the way the Department exchanges data and interacts with customers by enhancing the use, management, and security of information technology investments;
- Identified and refined performance measures for the Department's grant programs that are assisting the Department in evaluating the effectiveness of the programs and making informed funding recommendations;
- Identified and competed business activities to determine the best approach for completing work whether it be done by Department employees or the private sector; and
- Performed many activities that are necessary to remove the federal student aid programs from the Government Accountability Office's High-Risk list.

To ensure that the Department's organizational structure supports the execution of the results outlined in the *Strategic Plan*, *Blueprint for Management Excellence*, and *President's Management Agenda*, the leadership of the Department made significant organizational adjustments. For example:

The Secretary, Deputy Secretary, Under Secretary, General Counsel, Assistant Secretary for Elementary and Secondary Education, and Secretary's Chief of Staff meet early each morning to address policy, programmatic, and operating issues that affect the Department.

The Department has dramatically improved internal controls and data integrity.



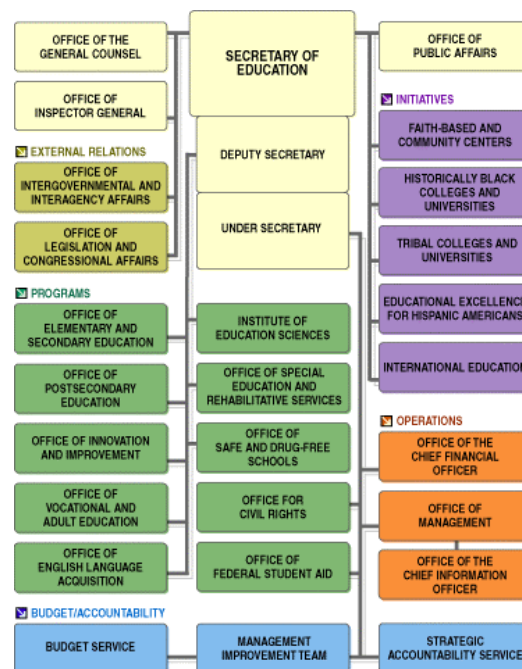
- The Institute of Education Sciences replaced the Office of Educational Research and Improvement. The Institute of Education Sciences now focuses on more rigorous research into instructional practices to identify evidence-based activities that aid student performance. As a result, all of the Department programs are putting more emphasis on the need for rigorous evaluations in its grant competitions.

- The Office of Innovation and Improvement was created to champion and support “outside-the-box” thinking on effective educational practice and to provide guidance for the school choice and supplemental services provisions of the No Child Left Behind Act. As a result, the Department is making strategic investments in innovative educational practices through its discretionary grant programs and is expanding options for parents and ensuring that parents are supplied with useful information so that they will be able to make informed decisions about their child’s education.

- The Office of Federal Student Aid reorganized to administer the federal student aid programs more effectively, establishing structures for enhanced program management and contract support for integration and new technology solution initiatives. As a result, the office has been able to more effectively target its monitoring efforts and has been able to manage resources more effectively.

- The Office of Safe and Drug-Free Schools was established to focus on safety, character education, and homeland security related to our nation’s schools.

Organizational Structure



The following addresses in greater depth the Department of Education’s Results Agenda as it applies to operations.

Sound Internal Control, Data Integrity and Financial Management Accountability

From a financial management perspective, the Department of Education is unique among Federal government agencies. The Department has a high number of appropriations, over 200, for which it must manage, consolidate and account. Yet it maintains the smallest number of employees while managing the third largest discretionary budget of cabinet-level agencies. Over the last several years, the people of the Department of Education have significantly improved the Department’s financial management accountability. This achievement is evidenced by the Department’s “clean opinions” on the audits of its fiscal year 2002 and 2003 financial statements (in the history of the Department a “clean opinion” has been received only once before in 1997).

Over the last several years, the people of the Department of Education have significantly improved the Department’s financial management accountability.

These clean financial statement opinions acknowledge the Department of Education’s ability to provide accurate, reliable, and timely financial information



that is useful for assessing performance and allocating resources. For example, the Department's Grants Administration and Payment System (GAPS) produces reports that allow grant managers to identify grantees that have drawn down funds in excess of prescribed policies and guidelines. The grant managers use this information to work with the grantees and take appropriate action when warranted.

The Department of Education's federal administration expenditures have been reduced to approximately 2 percent of the Department's total budget, which means that the Department delivers about 98 cents on the dollar for educational assistance to students, school districts, postsecondary institution, states, and other beneficiaries.

The Office of the Chief Financial Officer has developed the *Executive Fast Facts Information Summary* report designed to provide summary information for managers to use in implementing plans and measuring performance. *Executive Fast Facts* provides, on a monthly basis, a comprehensive overview of financial and program performance and is used as a tool throughout the agency to measure effectiveness and efficiency of program operations and assist managers in making management decisions. The Office of Federal Student Aid has created a similar management report that is specific to its office operations – the *Federal Student Aid Executive Dashboard*. The *Executive Dashboard* provides current data on student aid applications, program disbursements, default collections, program performance measures, and system performance. The *Executive Dashboard* is provided to all managers weekly and is used at weekly senior officers meetings to track progress and determine if specific actions are required to address identified issues.



The people of the Department have also taken numerous steps to improve internal controls, including:

- Issuing a revised set of policies and procedures for purchase cards, which include preemptively blocking transactions with roughly 300 types of businesses to prevent the use of government-issued cards for questionable goods and services. In addition, the Department has continued to manage risk by reducing the number of card holders, placing limits on the amount of purchases that can be made in a single month, and performing regular data scans to identify data anomalies that may point to inappropriate use of the purchase card. As a result of these and other improvements, the Department is able to reconcile all individual transactions *prior* to making payment and has been able to reduce the average monthly outstanding balance on all purchase cards from \$85,000 in 2002 to \$14,000 in 2003.
- Implementing an enterprise-wide travel management system that allows the Department to initiate and approve all travel requests electronically and make payments to travelers electronically. This change has reduced the amount of time it takes to reimburse a traveler from 7 to 10 days to 2 to 4 days.
- Establishing performance-based, results-oriented contracts for 60 percent of the dollars expended under contracts for services received by the Department.



The conversion to performance-based contracts has resulted in the development of improved performance measures to focus on more challenging results.

- Restructuring the Department's payment processing functions by leveraging a proven information technology solution that centralizes and streamlines a costly and outdated manual process. The restructuring resulted from an A-76 competition in which the employee's proposal was deemed the most efficient and effective solution. The restructuring could result in as much as \$35 million in process savings over the next five years.
- Changing the process used to monitor timely completion of Office of Inspector General and Government Accountability Office audit recommendations. As a result, the percentage of recommendations that are resolved on a timely basis is consistently greater than 95 percent.

The people of the Department have most recently taken significant steps to improve the processes used to award grant competitions, including:

- Establishing a grants planning coordinator that is responsible for developing an annual planning document for all grant competitions and working with senior officers within the Department and with the Office of Management and Budget to identify and resolve, early in the award process, policy issues – such as the type of measures that will be used to monitor the grantee's performance.
- Appointing a Designated Regulations Officer to oversee and shepherd regulations through the regulatory process. The Regulations Officer identifies and helps resolve policy issues related to the publication of regulations, enforces the regulatory schedule, and resolves disputes over the content of regulations.
- Placing performance goals in grant announcements to make clear to grantees performance expectations.
- Creating a grant tracking process that provides senior officers a complete picture of the status of grant awards and allows senior officers to identify and address, in a timely manner, issues such as slippages in award schedules and problems with clearing grant announcements.
- Streamlining the clearance process for grant application notices – resulting in an average turn-around time of two weeks rather than four weeks.
- Creating a process to ensure that grantees that are failing to draw down funds are notified of actions they need to take to prevent the loss of use of those funds.

The Department has established a grants planning coordinator that is responsible for developing an annual planning document for all grant competitions.

These efforts have been undertaken with the goal of being able to provide grant awards in a timely manner, based on grantee needs, and to increase the quality of



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the grants. For example, offices such as the Office of Postsecondary Education and the Office for English Language Acquisition awarded more than two-thirds of their planned fiscal year discretionary grants by June 30, 2004.

In addition to the efforts that have already been undertaken to improve the grants process, the Department is implementing a full set of recommendations developed by the Discretionary Grants Improvement Team. The recommendations are designed to improve customer and employee satisfaction, improve the timeliness and quality of the grant awards, and reduce internal and external transaction costs. The 23 specific tasks recommended can be grouped into five categories:

- Align grant policy documents to consistently focus on measurable outcomes tied to program objectives;
- Simplify and streamline the grant-making processes;
- Improve monitoring, oversight, and technical assistance of grants;
- Optimize technology used to process and evaluate grants; and
- Clarify organizational roles and responsibilities for grant-making and monitoring.

Making and monitoring grants is an activity that is central to the Department's mission. It involves at least half of the agency's staff. These improvements are critical to ensuring that the Department is a results-oriented organization.

Effective Investments in Information Technology

The Office of Federal Student Aid is investing in technology to allow it to integrate business processes and supporting systems in order to timely deliver Title IV student aid funds and provide effective oversight in the most efficient manner possible. This transformation is being done by reengineering or enhancing systems and functions; continuously aligning system investments with evolving business strategies; and focusing on data for improved decision-making and program oversight. Specifically, the people of the Office of Federal Student Aid have:

- Defined an overarching plan for how the information technology systems and business processes are integrated and have already successfully integrated the back-end servicing and default collection process into a single Common Services for Borrowers contract that could save American taxpayers an estimated \$1 billion over the next 10 years;
- Developed a plan to ensure that accurate and consistent data is available to and exchanged among the Office of Federal Student Aid and its customers, partners, and compliance and oversight organizations; and

There is an understandable temptation to ignore management reforms in favor of new policies and programs. However, what matters most is performance.

~President George W. Bush



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- Developed a sequencing plan that enables them to make changes to operations, systems, and contracts without adversely affecting day-to-day operations.

The people in other organizations of the Department of Education are also investing in technology solutions.

One hundred percent of the Department's grant announcements are posted on the cross-government grants.gov website. Grants.gov allows organizations to electronically find competitive grant opportunities from all Federal grant-making agencies and is the single access point for over 900 grant programs offered by the 26 Federal grant-making agencies. The Department has already identified 50 grant programs that during FY 2005 will not only post grant announcements on the grants.gov website but will also use the website to receive applications for grant competitions.

During FY 2004, approximately 81 percent of all Department discretionary grant competitions will use an on-line grant application (compared to 5 percent in FY 2000). In addition, both the Office of Postsecondary Education and Institute of Education Sciences have converted virtually their entire discretionary grant portfolio to use on-line processes. During FY 2004, 100 percent of the Institute of Education Sciences' and 97 percent of the Office of Postsecondary Education's discretionary grant applications will use an on-line application; 100 percent of the Institute of Education Sciences' and 81 percent of the Office of Postsecondary Education's grant programs are conducting the peer review process using an on-line system (this technique resulted in significant logistical savings since reviewers did not have to travel to a central location to review and score grant applications); and the Office of Postsecondary Education has also developed a desk-top application to assist them in managing their grant oversight/monitoring efforts.

The Department of Education is also investing in the Performance-Based Data Management Initiative, a multi-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. The system being developed under the Performance-Based Data Management Initiative will be a database repository where users can query for data to satisfy their information needs. The system 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. Specifically, the new system will allow program managers to structure monitoring consistent with performance information and local educators will be able to use federal outcome data to inform local decision-making. During FY 2004, the Department of Education negotiated with national education partners and developed an agreed upon set of data elements and has validated states ability to submit this data to the Department during a pilot test. The system is expected to be fully operational in FY 2005.

To manage costs associated with these and other information technology investments, the Department has created a Capital Planning and Investment Control process. As a part of this process, a cross-Department team reviews all

*We will prioritize
information
technology
investments
across program
offices based on
our prioritization
of business needs.*

*~2002-2007
Strategic Plan*



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*President's Management Agenda
FY 2004, 3rd Quarter*

significant information systems, data collections, and resource investments. The team evaluates the investments to ensure that they are consistent with the Department's information technology infrastructure and support the Department's overall mission and objectives. The team also monitors on-going investments against their projected costs, schedule, and benefits. Based on the team's review of the investments, the team makes recommendations to the Investment Review Board, chaired by the Under Secretary, who then determines whether an initiative should be initiated, continued, modified, or terminated.

As a result of these more effective operations and valuable results produced by the people of the Department of Education, the Department is one of only three cabinet-level agencies to have improved all of its status scores since the inception of the *President's Management Agenda* in FY 2002. In addition, the Department is one of only two cabinet-level agencies to have achieved a green status score on financial performance. The Department's *Strategic Plan* and the *President's Management Agenda* will continue to guide the Department's Results Agenda.

Government Wide Initiatives	Current Status	Progress
Human Capital	Yellow	Green
Competitive Sourcing	Yellow	Red
Financial Performance	Green	Green
E-Government	Yellow	Yellow
Budget & Performance Integration	Yellow	Green

Program Specific Initiatives	Current Status	Progress
FSA High-Risk	Yellow	Green
Faith & Community Based	Yellow	Green

II. How a Results-Oriented Enterprise Benefits the People Who Work at the Department of Education

A results-oriented enterprise requires that an organization clearly identify and achieve valuable results. The *Department of Education's Results Agenda* clearly articulates the expectations for this organization. As a result, the people of the Department of Education have the information available to them to understand what is expected of them and for what they will be held accountable.

A results-oriented organization also creates an environment in which the people of the organization can be evaluated and rewarded based on results and accountability of their performance. Senior officers and managers have and continue to take steps to ensure that all of the people within the Department have clearly articulated performance expectations that are tied to the overarching goals of the organization. Emphasis is continuously placed on specifying how individuals can contribute to the successful performance of programs they manage.

When results and expectations are clearly established at all levels of an organization, it allows the people of the organization to align their career development and skills training with the expectations. It is critical for an organization to effectively invest in training and development that supports the goals of the organization. The people of the Department of Education can expect that training and development opportunities are based on the needs of the organization.

A results-oriented enterprise requires that an organization clearly identify and achieve valuable results.



U.S. Department of Education

III. Additional Valuable Results within the Grasp of the People of the Department of Education

The people of the Department of Education have achieved significant valuable results that are having a positive effect on the children and students of this country. In addition to the results already achieved, the people of the Department of Education are continuing to work to ensure equal access to education and to promote educational excellence throughout the nation, including:

- Continuing enhancement of the processes used to award grants, establish grantee performance expectations, and monitor grantee performance for both discretionary and formula grants;
- Removal of the student financial assistance programs from Government Accountability Office's High-Risk list by demonstrating that the Office of Federal Student Aid operates efficiently and effectively;
- Fully implementing the system envisioned in the Performance-Based Data Management Initiative that will significantly reduce data reporting requirements and enhance the availability, accuracy, and use of educational data across the country and will result in the education community making more informed data-driven decisions;
- Focusing on customer needs when making information technology investment decisions;
- Improving strategic management of human capital that will result in a reduction in the number of vacancies and time it takes to fill those vacancies, clarity of expectations of results, and an enhanced performance appraisal process that is based on a willingness to differentiate among performance and that provides clear and effective feedback; and
- Strengthening and developing leadership talent within the Department of Education by analyzing the critical skill needs of the organization, providing training based on identified leadership competencies, and implementing an executive leadership development program that will contribute to the depth and breadth of leaders at the Department.

People are the only source of a sustainable competitive advantage.

~ Under Secretary McPherson