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TECHNICAL ASSISTANCE ON HOUSE BILL REAUTHORIZING THE ELEMENTARY AND SECONDARY EDUCATION ACT

DRAFT / September 30, 1999

TITLE I: PART A
BASIC PROGRAM

Recognition of Need

- Page I-3, lines 13-16: This provision could be read to support private school choice. We suggest that line 15 read "and should be given public school alternatives . . . ."

Authorization of Appropriations

- In providing specific appropriations for fiscal year 2000, rather than "such sums," the bill would lower funding for several initiatives. [* **Is this still relevant??** *]

  [* **not sure where evaluation $$ went** *] Because of the ongoing need to evaluate the effectiveness of Title I and strategies used to implement it, support for evaluation should be increased to $10 million for fiscal year 2000.

- Page I-6, lines 15, 24: [* **State admin: what is Part C now?** *]

- Page I-7, lines 6-9: A 0.5% reservation for school improvement does not realistically reflect the level of resources needed to turn around failing schools. As the Administration has proposed, the bill should require states to reserve 2.5% of Title I funds for this purpose. At least 70% of the reserved funds would flow to LEAs, with first priority given to LEAs with schools identified for corrective action and second priority given to LEAs with schools identified for improvement. Alternatively [* ? *], we are willing to provide technical assistance on a policy that would allow states to reserve up to 0.5% for developing statewide systems of technical assistance, while requiring each state to provide LEAs with an amount of Title I funds sufficient to turn around low-performing schools. With state consultation, LEAs would identify such schools and would develop intervention strategies consistent with Title I school improvement and corrective action requirements. Moreover, school improvement funds should be defined as a share of not only Title I, Part A funds, but also funds for migrant education and neglected or delinquent youth programs.

Standards and Assessments

- Page I-9, line 22page I-10, line 8: The bill renames the third level of proficiency "basic" instead of "partially proficient" and introduces a fourth level of proficiency, "below basic." This threatens to frustrate Title I implementation in states that have developed or are developing assessments aligned with the three-tier performance standards prescribed by current law. New performance standards will force many states to redesign their assessment systems and, in turn, their accountability systems. If the intent is to classify student performance into four categories, then no departure from current law is needed. The Department and the States have interpreted the three performance levels under current law as thresholds, each of which defines a group of students above and below the threshold. Massachusetts, for example, has developed a comprehensive assessment system with three performance levels that classify students into four categories: "advanced," "proficient," "needs improvement," and "failing."

- Page I-19, lines 4-18: The exception to the three-year rule (beginning on line 15) should be deleted because it undermines institutional accountability for helping students learn English. Moreover, this section should include the Administration's proposed requirement that states provide tests in Spanish to Spanish-speaking students with limited English proficiency, if such tests are more likely than tests written in English to yield accurate performance data in content areas other than English.

- Page I-27, lines 1-20: These provisions prescribing penalties for failure to implement standards, assessments, and accountability systems on time are more specific than the general withholding authority given to the Secretary on page I-10, lines 17-22. The approach on page I-27 is sensible. To eliminate confusion, the provision on page I-10 should be deleted, or the words "under subsection (g)" should be added after "determines" on line 22.

- Page I-27, line 24page I-28, line 2: States may already seek waivers through the general waiver provisions of current law. This provision would only increase applications for waiver, thus delaying Title I implementation. It should be deleted.

Adequate Yearly Progress

- Page I-10, line 24page I-11, line 16: This provision requires state plans to demonstrate what constitutes adequate yearly progress of schools, LEAs, and states. But pages I-11 to I-14 go on to clearly and specifically define what constitutes adequate yearly progress of schools, LEAs, and states. Apart from what the statute explicitly requires, what more must state plans demonstrate?

- Page I-13, lines 15: Because "promotion" may include social promotion, and because several states are developing accountability systems that end social promotion, "promotion" should not be included in the list of "other academic measures." Alternatively, the term should be rephrased as "promotion based on learning to state standards."

- Page I-13, lines 7-13: This exception should be deleted. It unnecessarily constrains states in their development of single statewide accountability systems for Title I and non-Title I schools. While making clear that statewide assessments are the primary basis for evaluating adequate yearly progress, the bill should give states the flexibility to take "other academic measures" into account, even if this alters the number or percentage of schools or LEAs subject to improvement or corrective action. Moreover, how is the exception supposed to work? If a state decides, based on "other academic measures," that a school or LEA otherwise subject to improvement or corrective action has made adequate progress, must the state identify another school or LEA *not* otherwise subject to improvement or corrective action in order to preserve "the number or percentage" of schools or LEAs otherwise subject to improvement or corrective action?

- Page I-13, lines 14-18: This provision requires schools to show improvement every year in the performance of every subgroup specified on page I-12, lines 8-14 and to narrow performance gaps between subgroups every year. While we agree that accountability for improved performance among all groups is important, this approach is problematic for three reasons. First, as a statistical matter, year-to-year fluctuations in student performance data do not necessarily reflect true fluctuations in performance. To account for this, adequate progress should be defined more flexibly in terms of "continuous and substantial gains," as the Administration has proposed. Second, because it is somewhat draconian to identify schools for improvement or corrective action if they fail to narrow performance gaps and to demonstrate improvement by *every* subgroup *every* year, this provision will lead many states to develop dual accountability systems—one for Title I schools, another for non-Title I schools. It makes more sense to define adequate progress by reference to gains in both overall student performance and the performance of low-achieving students, consistent with the Administration's proposal. Third, this provision will cause thousands of schools to be identified for improvement, thus triggering mandatory public school choice on a massive scale (page I-75, line 6) and inevitably diverting attention and resources from turning around failing schools.

- Page I-12, line 8; page I-13, lines 16-18: Must schools narrow performance gaps between boys and girls every year? This requirement may have unintended consequences, given the evidence that in math, for example, girls out-perform boys until middle school, after which boys typically out-perform girls. Although schools should track gender-based performance gaps, the bill should focus efforts to narrow performance gaps on gaps attributable to curricular or instructional inadequacies.

- Page I-14, line 13: The 90% requirement means that any LEA with less than 10 schools cannot demonstrate adequate yearly progress unless 100% of its schools demonstrate adequate yearly progress. Again, this will lead many states to develop dual accountability systems. The bill should incorporate the more flexible accountability provisions proposed by the Administration.

- Page I-14, line 19: The 90% requirement sets too low a benchmark for the overall percentage of students from all populations who should take the assessments. In addition to the 90% requirement, this provision should specify that 95% of students overall must take the assessments. The 95% figure provides sufficient flexibility for schools with substantial numbers of students (e.g., severely disabled students) for whom the assessments may not yield accurate or reliable performance data.

School Report Cards

- Page I-28, lines 10-11; page I-29, lines 14-15; page I-31, line 24page 32, line 1: The bill requires state, district, and school reporting on student performance only in Title I schools and districts. Such a limited requirement provides no way to compare Title I schools with other schools in the state or district, and does not encourage states to develop single statewide accountability systems. The bill should require reporting for all schools in the state.
- Page I-29, lines 18-19: To ensure that all children are held to the same high academic standards, the bill should require reporting on student performance in content areas other than math and reading, if states have standards and assessments in other areas.
- Page I-31, lines 16-17: The bill should require schools to report data on school safety and class size, since these are among the items parents most want to see on school report cards.

LEA Plans

- Page I-36, lines 24-25; page I-37, lines 4-5: Focusing on "low-achieving children" might be read to suggest different standards for low-achieving children. These amendments should read: "all children, particularly low-achieving children." [* ? *]
- Page I-37, lines 12-22: Requirements for assessing first grader literacy do not ensure that such assessments provide the most accurate data on the literacy of LEP students. After line 22, the following language proposed by the Administration should be inserted: "(iii) administered to students in the language most likely to yield valid results."
- Page I-43, lines 11-20: The bill nowhere requires peer review for state approval of LEA plans. Implementation of current Title I plan requirements and reviews of state standards and Goals 2000 state plans indicate that review by teams of teachers, parents, administrators, and other education experts improves the quality and perceived legitimacy of feedback, and dramatically improves program implementation. Consistent with the Administration's proposal, the bill should require peer review of LEA plans.

Targeting: Eligible Attendance Areas and Local Allocations

- Page I-48, line 10: After this line, the bill should include a grandfather clause to ensure continuity and fiscal stability for schools that had received Title I funds the previous year. The following language proposed by the Administration should be added: "designate and serve a school attendance area or school that is not eligible under subsection (b), but that was eligible and that was served in the preceding fiscal year, but only for one additional fiscal year."

- Page I-49, line 12page I-50, line 11: [* **Bill now follows current law below 75%. Wouldn't a middle threshold target better? Above 75%, we had proposed strict rank ordering without regard to grade span. *]**
- Page I-53, lines 10-14: This provision should make clear that funds must be allocated "in rank order" and that no higher poverty school may receive a lower per-pupil allocation than a lower poverty school.
  - Page I-54, line 13: To ensure that homeless children are served by Title I, the clause "where appropriate" should be deleted.

Schoolwide Programs

- Page I-55, line 2: The bill omits improvements proposed by the Administration to clarify the purposes of schoolwide programs—namely, to enable high-poverty schools to upgrade their entire educational program and to help ensure that all children in such schools, particularly those most at risk of educational failure, meet challenging state standards.
- Page I-55, line 9: The bill reduces the poverty threshold for schoolwides to 40%. To ensure that Title I funds support schoolwide programs specifically in schools where, according to educational research, the level of poverty negatively affects the educational achievement of all students, the threshold should remain at 50%.
- Page I-55, lines 13-20: The bill should require LEAs to subject schoolwide plans to peer review, consistent with the Administration's proposal.
- Page I-57, line 22page I-62, line 10: The bill omits modifications proposed by the Administration to clarify the three essential components of effective schoolwide programs—a comprehensive needs assessment, a coherent design to improve teaching and learning throughout the school based on the needs assessment, and regular review for purposes of improvement.

  Page I-58, line 5: The comprehensive needs assessment should include other factors that affect teaching and learning in the school. These lines should read: ". . . that is based on information including, but not limited to, the performance of children . . . ."

  Page I-59, line 18: The words "high-quality and ongoing" should be added before "professional development."

  Page I-60, lines 15-23: This provision should also provide for teacher-parent conferences to discuss student difficulties, and it should suggest what interventions (e.g., one-on-one tutoring, before- or after-school programs, summer school) schools and parents should undertake to address difficulties.

Page I-63, lines 12-14: Instead of requiring "review[] . . . as necessary" of schoolwide plans, this provision should include a clear requirement for *regular* review of each school's progress toward implementing schoolwide programs and achieving student achievement goals.

School Choice

- Page I-70, lines 2-9: We read this language to confine choice programs to pupil transfer among public schools only. If congressional intent is ambiguous on this point, the following language should be added: "A local educational agency may not use funds under this part to develop or implement school choice programs that encourage, facilitate, or otherwise provide for pupil transfer from public schools to private schools."
- Page I-70, line 10: The choice plan should include the provision (section 1115A(b)(4)) in current law requiring LEAs to describe how schools will provide individual student assessment results to parents. This provision promotes accountability for the achievement of disadvantaged students, whatever school they attend.
- Page I-70, line 13: Who are "eligible students"? Do LEAs have total discretion to define eligibility?

School Improvement and Corrective Action

- Page I-75, line 7page I-76, line 4: Requiring LEAs to develop public school choice options for students in schools identified for improvement seems impracticable given the large number of schools that will be identified under the bill's rigorous definition of adequate yearly progress. Moreover, this requirement would divert the attention and resources of LEAs from assisting low-performing schools—at precisely the time (within 18-months) when school improvement efforts are most needed and may begin to show results. A more sensible approach is to require school choice when a school has been identified for corrective action.
- Page I-78, line 12: This provision should require LEAs to subject plans for school improvement to peer review.
- Page I-80, line 7; page I-89, line 9: Consistent with emerging research on the time it takes to turn around low-performing schools, the bill should require corrective action after the end of three, not two, years following school or LEA identification for improvement, as the Administration has proposed.
- Page I-82, lines 6-14; page I-91, lines 18-25: These exceptions allowing for delay of corrective action should be deleted.
- Page I-91, line 25: After this line, there should be a provision specifying when states may remove LEAs from improvement status—presumably when an LEA, for at least

two out of three years following its identification for improvement, has made adequate yearly progress.

Paraprofessionals

- Page I-104, lines 5-6: Paras only need to meet "a rigorous standard of quality." Not sure what this means, except that it requires more than a high school diploma or GED. They deleted state or local certification. Not sure who defines "a rigorous standard of quality," but based on the language, it looks like LEAs get to define. Suggests that there won't be uniformity in rigor within each state.
- Page I-106, lines 13-14: Allows paras to provide "instructional services."
- Page I-106, line 19: Direct teacher supervision is required only when paras provide instructional services. Our proposal requires such supervision when paras provide one-on-one tutoring, assist with classroom management, or provide assistance in a computer laboratory.
- Page I-106, lines 21-25: Why is only reading subject to this stricter requirement? Shouldn't math or writing instruction also be included?

Professional Development

- Page __, lines __: This section should more clearly endorse activities that involve collaborative groups of teachers and administrators from the same school or district and, to the greatest extent possible, include follow-up and school-based support such as coaching or study groups.
- Page __, lines __: To ensure that children most at risk of educational failure have high-quality teachers, the bill should require LEAs to reserve 5% to 10% of their Title I funds for on-going professional development, as the Administration has proposed.

Private Schools

- Page I-52, line 1: Before requiring extrapolation of survey data, there should be some safeguards to ensure that the resulting number would be reliable (e.g., the number of surveys returned was sufficient to permit extrapolation, the surveys returned represent the school population as a whole). Otherwise, the count of low-income children may be artificially high or artificially low.
- Page __, line __: Requiring consultation with entities "by whom" the services to private school children will be provided implies that an LEA must discuss the specific employees who will provide services.
- Page __, lines __: This provision would require private school officials to sign a written affirmation that consultation has occurred. It could be construed as giving private

school officials a veto over the services to be provided if they are in any way dissatisfied.

- Page __, lines __: By authorizing a bypass if a single private school child has "failed to make satisfactory progress in those subjects for which the child receives title I services," the bill makes LEAs wholly responsible for meeting the educational needs of children who attend private schools. Given the difficult questions this raises concerning where an LEA's obligation ends and where the private school's begins, we oppose this provision.

Comparability of Services

- Pages __: The bill proposes no amendments to the comparability of services requirement in section 1120A of current law. As the Administration has proposed, this section should be amended to strengthen the quality of inputs to be examined in ensuring intra-district school comparability. Such inputs should include teacher qualifications, school safety conditions, and accessibility to technology, among others.

Amounts for Grants (Title I formulas)

Outlying Areas and the Secretary of the Interior: Pages 101-03 set out instructions for allocating a 1% set-aside from Title I LEA Grants for the Bureau of Indian Affairs and the Outlying Areas. These provisions also include a $5 million reservation from the Outlying Areas share for islands that are not U.S. territories but are "freely-associated states."

- Page __, lines __: After September 30, 2001, the number of entitles that would be eligible to receive funding under the 1% set-aside drops from seven entities to the four Outlying Areas (American Samoa, Guam, Northern Marianas, and the Virgin Islands). The Outlying Areas should not receive the resulting windfall, since they are already well-provided for under the 1% set aside. Therefore, language on line 7 should be changed to reserve a total of *up to* 1%.
- Page __, lines __: Since the bill terminates eligibility to the freely associated states after September 30, 2001, the four Outlying Areas would be the sole eligible entities for competitive grants. The competitive grant program should be repealed as of that date, since having two different funding mechanisms (formula grants and competitive grants) for the same four entities makes no sense and creates unnecessary burden.
- Page __, lines __: Unlike current law, the bill would not allow the Outlying Areas to consolidate Title I funds, and it would require funds to be used for Title I purposes, not for broader purposes under ESEA. Is the intent to have the Outlying Areas, some of which receive only small amounts of funds, meet all Title I accountability requirements?

Amounts for Basic Grants, Concentration Grants, and Targeted Grants: Title I provides funds to high-poverty LEAs, which have the furthest to go to help children meet high standards.

- Page __, lines __: Because this provision would significantly decrease the amount of funds allocated as Targeted Grants, it should be reconsidered. The proposed allocation formula would authorize substantial annual increases in Basic Grants, which spread funds thinly across high- and low-poverty LEAs. Meanwhile, Targeted Grants would receive only 50% of any increase in Title I LEA Grants above the FY 1999 level. In contrast, the Administration's proposal would allocate substantial funds through the Targeted Grants formula, which distributes funds more fairly by providing higher per-child amounts to higher-poverty LEAs and lower per-child amounts to less poor LEAs.
- Page __, lines __: By guaranteeing Title I funds to LEAs that do not meet the eligibility thresholds for four additional years under the Basic, Concentration, and Targeted formulas, this provision would drastically reduce increases in funding to all eligible LEAs. It would prevent retargeting of Title I funds to LEAs that are newly eligible for funds or that are experiencing substantial increases in poverty. For example, with the use of new 1999 poverty data, 1,626 LEAs were newly eligible for Title I funding, and 1,732 LEAs had insufficient poverty to meet the criteria for eligibility. Continuing funding to the 1,732 ineligible LEAs for four additional years severely reduces funding to the newly eligible LEAs and could leave them with nothing at all in the event that the Title I appropriation is not substantially increased each year. Moreover, the provision circumvents targeting under the Concentration and Targeted formulas that are specifically designed to provide money to the highest poverty LEAs. Although funding for each formula is typically earmarked in appropriations language, this authorizing language undermines targeting of funds where the needs are greatest.

"Scientifically based research"

- The term "scientifically based research" is broadly used in this bill. This term has a specific definition in the provisions authorizing Comprehensive School Reform Demonstration programs and in the provisions of current law authorizing reading and literacy grants (Title II, Part C). In particular, research qualifies as "scientifically based" only if, among other things, it "has been accepted by a peer-reviewed journal or approved by a panel of independent experts through a comparably rigorous, objective, and scientific review." This definition would render virtually impossible the implementation of many Title I provisions. In the following areas where the term "scientifically based research" occurs, the bill should require or encourage (as appropriate) that programs, plans, reforms, or strategies simply be "research-based."
  - Page I-1, lines 16-17 (effective educational strategies).
  - Page I-37, line 20; page I-40, lines 8-9 (LEA plans).
  - Page I-58, line 16 (schoolwide reform strategies).
  - Page I-67, lines 5-6 (targeted assistance programs).

- Page I-77, lines 4-5 (school improvement plans).
- Page I-78, lines 22-23; page I-79, lines 14-15 (LEA-provided technical assistance to schools identified for improvement).
- Page I-82, lines 2-3 (LEA-prescribed corrective action for schools).
- Page I-87, lines 1-2 (LEA improvement plans).
- Page I-109, lines 14-15; page I-110, line 1 (required professional development activities).

Comprehensive Technical Assistance Centers

- Page 43, line 18; page 66, lines 8-9: References to these centers should be deleted. These centers should not be reauthorized because **[* why? *]**

Comprehensive School Reform Demonstration Programs

- Page I-D-11, line 13: Support should be increased to $200 million, the fiscal year 2000 request.

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TITLE I: PART D
NEGLECTED OR DELINQUENT YOUTH

TITLE III
INDIAN EDUCATION

"Indian Flex" Authority

- Page 17, lines 3-13: This provision creates a new "Indian Flex" authority that could open a back door to bigger consolidation and that could create a substantial administrative and reporting burden for the Department of Education [* ? *]. The proposal permits integration of services for programs serving Indian students in *any* LEA that receives funds under the Indian Education program. **[* How many schools? *]** Thus, a small amount of money under the Indian Education program could trigger a consolidation involving much larger programs such as Title I. **[* specific ways that consolidation produces less accountability? *]** In BIA schools, Indian Education formula money may already be consolidated.

TITLE IV
MAGNET SCHOOLS

- Page 8, line 3: This changes section 5106(b)(2)(B) from "State certified or licensed teachers" to "fully qualified teachers (as described in section 1119)." The current statutory language—"State certified or licensed teachers"—should be retained because it is more specific and answers the question of what "fully qualified" means without the awkward reference to another title.

- Page 9, line 8: This retains the statutory priority for need for assistance in section 5107. This priority should be eliminated, as the Administration has proposed, because **[* ??? *]**. However, if the provision is retained, it should be amended by striking the words "the expense or" after the words "based on" (line 9). This change would invite discussion of other difficulties inherent in implementing approved desegregation plans, while still permitting applicants to raise expense as an issue, where appropriate.

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TITLE VII
GIFTED AND TALENTED

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TITLE VIII
RURAL EDUCATION

Subpart 1 – Small and Rural School Program

Alternative Uses of Funds: Section 10961 would authorize small, rural LEAs, upon notifying SEAs of their intent, to consolidate funds from the Class Size Reduction, Eisenhower Professional Development, Safe and Drug Free Schools, and Innovative Education Program Strategies programs. Without much accountability **[* ?? *]**, LEAs could use these funds for local or statewide education reform efforts to improve academic achievement and the quality of instruction in elementary and secondary schools.

- Page 2, lines 19-25: The language allows eligible LEAs to use applicable funds to support State and local education reform efforts, but does not make clear whether LEAs would be able (1) to consolidate the funds from the four applicable programs or (2) to use those funds for activities that are not otherwise authorized. The proposal also does not require LEAs to provide SEAs with plans for how they would use funds to improve student achievement or the quality of instruction.

- Page 3, lines 9-21: This provision would make eligible an LEA that (1) serves fewer than 600 students, (2) serves only schools in communities with a United States Department of Agriculture Rural-Urban Continuum Code of 6, 7, 8, or 9, or (3) receives a waiver of the criteria from the Secretary to use applicable funding to support State or local reform efforts. The language regarding a "community" is problematic because the Rural-Urban Continuum Code applies to counties not towns, and an estimated 2,600 LEAs would be eligible **[* compared to what # currently? *]**. In addition, determining which schools served by the LEA are in communities with the appropriate code would be confusing and burdensome on States.

Formula Grants to Small, Rural Districts: Section 10962 would authorize grants of $100 per student or $20,000, whichever is greater, to LEAs that meet the same criteria for using applicable funding.

- Page 5, lines 17-23: The Secretary would award an eligible LEA an amount equal to $100 per student or $20,000, whichever is greater, minus the amount the LEA receives from the Class Size Reduction, Eisenhower State Grants, Safe and Drug Free Schools, and Innovative Education Program Strategies programs in that fiscal year. This provision would be impossible for the Department to implement without collecting substate allocation data from the states, since the Department does not make the allocations for the affected programs directly to LEAs. To implement the formula, states would have to provide the Department with substate allocation amounts within a timeframe that may not be possible. In addition, the proposal would reduce the amount of awards to LEAs that did not use their applicable funding for alternative uses.

- Page 6, lines 7-14: In any fiscal year in which the amount of the appropriation is not sufficient to provide LEAs with their full award, the Secretary would be required to ratably reduce the amount of awards. As drafted, it is unclear whether all LEAs would have their amount of award reduced, or only those LEAs that receive an amount above the minimum.

- Page 6, lines 21-25: An LEA desiring to receive an award would have to conduct a census, by December 1, of the average daily attendance in grades K-12. The language is unclear as to whether the intent is to determine the average daily attendance for the LEA over a period of time, or to determine the attendance on one particular day before December 1.

- Page 8, lines 6-20: An LEA that receives or uses funds under this subpart would have to administer the test used statewide to assess the academic achievement of students in the LEA. In the absence of a statewide test, the LEA would have to select a test to assess student achievement. An LEA also would be required to use the same test in each year it participated in the program. The language does not contain any references to the tests or performance standards required under Title I. The language regarding the use of the same test for all five years of participation would seem to mean that an LEA in a state that adopted a statewide assessment after its first year of participation in the program would have to relinquish its award under this section in order to be in compliance with Title I.

- Page 9, lines 5-21: An SEA would be required to determine whether, after five years of participating in the program, the academic achievement of students in the LEAs had increased. An LEA that demonstrated increased academic achievement would be eligible to continue to participate in the program for an additional five years. An LEA that failed to demonstrate gains in academic achievement would be unable to participate in the program over the ensuing five years. These accountability provisions are considerably weaker than those contained in Title I. For example, there are no provisions for disaggregating data, closing the achievement gap between high- and low-achieving students, and reporting the data publicly. Even though the Secretary would be making awards to districts, it would be states that determine continued participation.

Subpart 2 – Low-Income and Rural School Program

Subpart 2 would authorize a state formula grant program to provide subgrants to poor, rural districts. In states that choose not to participate, the Secretary would be authorized to make awards directly to eligible LEAs.

- Page 10, lines 15-24: The Secretary would allocate to each state its share of funds based on the number of children served by eligible districts within the state. An eligible district is one with: (1) at least 20 percent of the children it serves residing in households with incomes below the poverty line, and (2) a Rural-Urban Continuum Code of 6, 7, 8, or 9. The language contained in the bill describing the method of allocation is poorly drafted. As written, Connecticut, Rhode Island, and New Jersey would not receive any funds under this program, and the language does not address allocations for rural areas in Hawaii and Puerto Rico. Moreover, it would be difficult and burdensome for SEAs to determine LEA eligibility. Many LEAs serve students from more than one county; the proposal contains no means for States to adjust poverty counts in LEAs to account for this.

Furthermore, this subpart contains no real accountability provisions. States desiring to receive a grant must apply to the Secretary and provide such information as the Secretary may require. States must also provide specific measurable goals and objectives, and report annually on the method they used to allocate funds, how LEAs used the funds, and progress made within the state toward meeting the goals and objectives contained in the application. However, as with Subpart 1, the proposal contains no requirements to disaggregate data or close the achievement gap between high- and low-performing students; no provision allowing states to terminate awards to districts that fail to make significant progress toward their goals or objectives; and no provisions authorizing the Department to withhold funds from states or districts that receive awards directly from the Department that fail to make sufficient progress.

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TITLE IX
HOMELESS EDUCATION

- Page 5, line 18: The bill would require the Secretary to transfer 1% of the appropriation to the Bureau of Indian Affairs (BIA). At the FY 1999 level of funding, this would require the Department to reserve $288,000 for the BIA, nearly tripling the BIA's award. (In the last few years the Department has given BIA $100,000, which is the minimum allocation.) The bill should simply authorize the Secretary to reserve up to 1%.

- Page 8, line 20: States that established segregated schools for homeless children prior to enactment of this bill would remain eligible to receive funds for those schools. This would, potentially, have the impact of "grandfathering" in segregated schools that are already in operation. This section should be deleted. The Department is opposed to providing assistance to schools that separate homeless students from the mainstream school environment.

DRAFT

GAO Confirms Federal Education Dollars Are Going to the Classroom

An independent report by the US General Accounting Office (GAO) shows that 92% of federal program dollars are reaching districts. The GAO studied 10 major Department of Education programs for fiscal year 1996 and found that both states and the Department are keeping very small portions of federal program dollars.

Over the last two years, there have been a number of "dollars to the classroom" proposals based on the assumption that the Department of Education retains a significant portion of federal elementary and secondary appropriations to pay for administrative costs. However, the GAO report confirms that the Department has been very successful in getting federal education dollars to where they can do the most good, the local level.

The Department is driving dollars to local districts and schools. While states vary in the percentages of program funds they allocate to districts, the GAO determined that "of the original appropriations for all 10 programs, 92 percent was distributed to local agencies."

Program funds support teaching and learning, not accounting and paperwork. The GAO visited nine districts and reported that, while fulfilling federal requirements necessitates staff resources at both the district and school level, school and district staff are spending very little time administering federal education programs. "About 70 percent of personnel in the 15 schools visited, primarily teachers, did not have administrative responsibilities for the 10 programs reviewed." Even for the largest program, Title I, "the amount of time school staff spent administering the Title I program was usually a day or less out of the school year for each administrative duty assigned them."

Less than 1 percent of all program funds support federal program administration. According to the GAO, the Department of Education "distributed over 99 percent of the appropriations for the 10 programs [studied] to the states." In fact, in fiscal year 1996, Education spent less than 1 percent for the implementation of 7 of the 10 programs studied, including Title I, the largest federal elementary and secondary education program. "Education spent $3.5 million of the funds, ... less than 1 percent of the program's $7.3 billion appropriation." The funds reserved at the federal level were used to support a variety of activities, including program research, evaluation, information dissemination, and technical assistance.

The states in turn, "collectively distributed 94 percent of the funds they received to local agencies such as school districts." At the state level, funds were used, as Congress described in law, to support a variety of activities that support improvements in teaching and learning, including developing content and performance standards, designing curricula, providing professional development for teachers, evaluating programs, developing demonstration projects, and providing technical assistance.

However, states varied across programs in the percentage of funds they spent and the percentage they provided to districts, from 1-17 percent of the funds. For example, 43 states kept more than 11 percent (and as much as 25 percent) of the funds allocated for the Title VI block grant, while 46 states spent 5 percent or less to implement Title I. The GAO also excluded several other key education programs, including the Class Size Reduction Initiative (CSR) which provides for neither federal nor state administrative costs, ensuring that 100% of program funds are allocated to local school districts and schools.

United States General Accounting Office

GAO

Report to Congressional Requesters

September 1999

FEDERAL EDUCATION FUNDING

Allocation to State and Local Agencies for 10 Programs

GAO

Accountability * Integrity * Reliability

GAO

United States
General Accounting Office
Washington, D.C. 20548

Health, Education, and
Human Services Division

B-278482

September 30, 1999

The Honorable William F. Goodling
Chairman, Committee on Education
and the Workforce
House of Representatives

The Honorable Peter Hoekstra
Chairman, Subcommittee on
Oversight and Investigations
Committee on Education and
the Workforce
House of Representatives

The Honorable Michael N. Castle
Chairman, Subcommittee on Early
Childhood, Youth and Families
Committee on Education and
the Workforce
House of Representatives

The Honorable Joseph R. Pitts
House of Representatives

The Honorable Lindsey O. Graham
House of Representatives

Since the early 1990s, the Congress has appropriated over $30 billion a year for preschool, elementary, and secondary education. These funds are targeted primarily to specific groups of children—such as those who are poor or disabled or have limited English proficiency—to help ensure their access to public education and to promote educational excellence throughout the nation. The Congress provides some of these funds to the Department of Education (Education), which then distributes the funds either directly to local agencies or to the states. States in turn distribute the funds to local agencies. Education and the states may spend some of the program funds for administration and other activities allowed under each program's statute.

Although the federal investment in elementary and secondary education is large, the Congress does not routinely receive information about how much federal funding actually reaches students in the classroom. There are concerns that too much federal funding may be spent on administration and that school personnel are incurring "hidden" administrative costs as they spend time fulfilling administrative requirements related to applying for, monitoring, and reporting on federal funds. But administrative activities are difficult to define across programs because what is considered administration varies from program to program. For example, under the Individuals With Disabilities Education Act (IDEA), technical assistance is considered an administrative activity, but under the Safe and Drug-Free Schools and Communities program (called the Safe and Drug-Free Schools program) it is considered nonadministrative.

In this context, as the Congress prepares to consider reauthorization of many of the elementary and secondary programs, you asked us to determine, for 10 major Education programs for fiscal year 1996, (1) the percentage of federal funding spent at the federal level and the uses of these funds and (2) the percentage of federal funding spent at the state level and the uses of these funds. In addition, you asked that we examine—in a small number of school districts—the amount of time school personnel spent fulfilling federal administrative requirements for those programs for which the districts received funds.

To determine the percentage of funds spent[1] by federal and state agencies from the 10 programs and how these funds were used, we surveyed 50 states, the District of Columbia, and Puerto Rico, as well as Education officials. For this analysis, we examined funds from these programs that Education distributed directly to the states but not to local-level agencies (see table 1 for a description of the 10 programs and their authorizing legislation). To determine how much time school personnel spent fulfilling administrative requirements, we gathered illustrative information from 9 of the 16,000 school districts nationwide in three states—California, Maryland, and South Carolina—and surveyed district staff and staff from selected schools in each of the 9 school districts (see app. I for a more detailed discussion of our scope and methodology). We judgmentally selected these 9 school districts to ensure that the districts were of varying sizes, were located in different parts of the country, and represented a mix of urban, suburban, and rural districts. We conducted our work between

[1]We asked the Department of Education and the states to report the amounts of program funds they initially retained to spend on federal-level or state-level activities, respectively. Although states may later reallocate some portion of the funds to local agencies and other entities to spend, throughout the report, the term "spent" refers to the funds that Education and the states reported they initially retained for their expenses.

July 1997 and August 1999 in accordance with generally accepted government auditing standards.

Results in Brief

In fiscal year 1996, Education distributed over 99 percent of the appropriations for the 10 programs to the states; the states, in turn, collectively distributed 94 percent of the funds they received to local agencies such as school districts. Of the original appropriations, 92 percent was allocated primarily to local agencies. At both the federal and state levels, the funds that were not distributed supported such activities as research and evaluation related to the programs and information dissemination about them. At the state level, the funds, as authorized by law, may be spent on a wider range of activities, such as developing student performance standards and professional development training for teachers.

Education spent less than 1 percent of all appropriated program funds, distributing the rest primarily to the states in fiscal year 1996. Only for the School-to-Work program did Education spend more than 1 percent, spending 7 percent of the funds for this program. Education spent the funds on such services as research, evaluation, and information dissemination. For example, Education used $26 million of the School-to-Work program funds for program research and to provide the states with technical assistance to help them plan and implement the program. Education paid for other costs of running the programs, such as the salaries and benefits of staff issuing grants and administering the programs, from an appropriation it receives for overall agency management, and not from funds appropriated for the agency's programs. In fiscal year 1996, Education received $327 million to administer all of its programs. Education estimates that it spent about $23 million to administer the 10 programs we reviewed.[2]

For 9 of the 10 programs, the states spent an average of from 1 to 17 percent of the funding. For the remaining program (Bilingual Education state grants), all the funds we reviewed were intended to be used at the state level. Collectively, states distributed 94 percent of the federal funds they received mainly to local agencies. Excluding the $7.3 billion Title I program (one of the largest elementary and secondary education programs), the overall percentage of funds states allocated to local

[2]$4 million for Title I programs, $5.8 million for IDEA programs; $4.2 million for Perkins programs, $1.3 million each for Eisenhower and Safe and Drug-Free Schools programs, $900,000 for Goals 2000 programs, $1 million for School-to-Work programs, $1.1 million for Innovative Education programs, $3.3 million for Bilingual Education programs, and $300,000 for Even Start programs.

agencies by the remaining nine programs was 86 percent. The states, like Education, spent the funds for activities such as technical assistance and program evaluation. The states also are authorized to spend the funds for a wider range of activities, including designing curricula and demonstration projects. We visited 9 of the nation's 16,000 school districts and found that school-level staff spent very little time administering the programs and that district office staff also generally spent little time administering them. The time they spent varied by district and by program.

Background

The federal investment in preschool, elementary, and secondary education of more than $30 billion was about 7 percent of all education funding in academic year 1995-96; state and local contributions were 47 and 46 percent, respectively. As shown in table 1, the fiscal year 1996 appropriations for the 10 programs we reviewed varied widely, from $7.3 billion for the Title I program to $102 million for Even Start. These amounts reflect the total appropriation for each program, including funds that Education distributed directly to local education agencies as well as funds Education distributed to state education agencies or other eligible recipients.

Table 1: Characteristics of the 10 Department of Education Programs During Fiscal Year 1996, Listed by Funding Amount

Program	Authorizing legislation	Purpose	Target population	Funding (in millions)	Maximum percentage states may spend and specific limits on administration[a]	Maximum[b] amount states may spend on administration (in millions)
Improving Basic Programs Operated by Local Educational Agencies (Title I)	Elementary and Secondary Education Act of 1965, as amended (ESEA), title I, part A	To help local education agencies and schools improve the teaching and learning of children failing, or most at-risk	Disadvantaged students	$7,295	1.5% (including 1% for administration)	$73
Assistance for Education of All Children With Disabilities (IDEA)	IDEA, part B	To assist states in providing free, appropriate public education to all children with disabilities	Children and youth with disabilities	2,684[c]	25%[d] (including 5% for administration)	134
Vocational Education Assistance to the States (Perkins)	Carl D. Perkins Vocational and Applied Technology Education Act, as amended, title II (moved to title I in 1998)	To help states improve vocational education programs and provide special needs populations with equal access to such programs	Secondary students in prevocational courses	963	14.5% (including 5% for administration)	48

(continued)

Program	Authorizing legislation	Purpose	Target population	Funding (in millions)	Maximum percentage states may spend and specific limits on administration[a]	Maximum[b] amount states may spend on administration (in millions)
State Grants for Drug and Violence Prevention Programs (Safe and Drug-Free Schools)	ESEA, title IV, part A, subpart 1	To support programs to meet the National Education Goal that every school will be free of drugs and violence by the year 2000	Elementary and secondary schools, teachers, and students	441 ($348 million for state grants and $93 million for governor's programs and other uses)	For state grants, 9% (including 4% for administration)	14[e]
State and Local Education Systemic Improvement (Goals 2000)	Goals 2000: Educate America Act, title III	To support comprehensive reform plans at the state, local, and school levels to improve the teaching and learning of all children	Elementary and secondary schools, teachers, and students	340	10% (including 4% for administration)	14
School-to-Work Opportunities System Development and Implementation Grants to States (School-to-Work)[f]	School-to-Work Opportunities Act of 1994, title II	To establish a national framework within which all states can create statewide school-to-work opportunities systems	All students, including the disadvantaged, minorities, the disabled, those with limited English proficiency, migrants, and school dropouts	350	No specific limits for development grants; for implementation grants, 30% for 1st year of grant, 20% for 2nd, and 10% for subsequent years (including 10% each year for administration)	35
Dwight D. Eisenhower Professional Development Program (Eisenhower)	ESEA, title II, part B	To provide high-quality professional development activities to teachers, staff, and administration	Teachers and other school staff	275	10% (including 5% for administration)	14
Innovative Education Program Strategies (Innovative Education)	ESEA, title VI	To assist state and local education agencies in the reform of elementary and secondary education	Elementary and secondary schools, teachers, and students	275	15% (including 3.75% for administration)	10

(continued)

Program	Authorizing legislation	Purpose	Target population	Funding (in millions)	Maximum percentage states may spend and specific limits on administration[a]	Maximum[b] amount states may spend on administration (in millions)
Bilingual Education[g]	ESEA, title VII, part A	To help ensure that students with limited English proficiency master English and develop high levels of academic attainment in content areas	Children with limited English proficiency	128 ($7 million for state grants and $121 million for localities)	For state grants, 100% (including 5% for administration)	.365[h]
Even Start Family Literacy Program (Even Start)	ESEA, title I, part B	To help break the cycle of poverty and illiteracy by integrating early childhood education, adult literacy or adult basic education, and parenting into a unified family literacy program	Parents who lack basic education skills; have no high school diploma; or are unable to speak, read, or write the English language; and their children, aged 0-7	102	5% (including administration)	5

[a]Many also may spend more than the percentage listed in this column. Many programs also provide for a minimum dollar amount. In the case of small states, where their total grant is relatively small, the maximum percentage amount may be inadequate.

[b]The numbers in this column are based on total funding rather than the amounts remaining after Education has taken any funds for its use.

[c]Amount is actually for two separate grant programs under part B of IDEA, one providing special education and related services to school-aged children and one providing such services to preschoolers.

[d]The law was amended in 1998, changing this to 15 percent (including 5 percent for administration).

[e]Estimate is based only on the $348 million allocated for state grants.

[f]The Departments of Education and Labor jointly administer the School-to-Work program. For fiscal 1996, $180 million was included in Education's appropriation and $170 million in Labor's.

[g]Under this program, funding for state-level activities is provided through a separate state grant program, and other funds are allocated directly to local agencies. We only examined the state grant portion of these funds.

[h]Estimate is based only on the $7.3 million allocated for state grants.

There is no common definition of "administration" across the 10 programs. For example, ESEA does not contain a general definition of administrative expenditures that states can use for covered programs.

Further, some individual program statutes describe as nonadministrative activities what other programs consider administrative activities. For example, under the Title I program, developing standards and assessments is considered an administrative activity at the state level, but under the Eisenhower program it is considered a nonadministrative activity. Similarly, under the IDEA program, technical assistance is considered an administrative activity, but under the Safe and Drug-Free Schools program it is considered a nonadministrative activity. Thus, the differences in which activities are considered administrative expenses and the lack of a distinction between administrative and nonadministrative expenses make categorization of expenses difficult.[3]

The Congress has been weighing how to balance accountability and flexibility in education programs.[4] In its effort to strike a balance between these sometimes competing goals, the Congress has attempted to reduce state and local reporting requirements while at the same time ensuring that sufficient information exists to hold states and local agencies accountable. Moreover, state and local reporting requirements have not historically been uniform across programs, state program accountability systems vary, and the definitions used to categorize expenses and activities differ across states and programs. All of these factors represent challenges to data collection.

Education Distributed Almost All Federal Program Funds to States

Across all 10 programs we reviewed, Education typically spent a small portion of the federal funds, distributing over 99 percent of the funds to the states.[5] With the funds, Education supported a variety of federal activities, including program research and evaluation and information dissemination. However, Education paid for other costs of running the 10 programs, such as the salaries and benefits of the staff issuing the grants and administering the programs, from a separate appropriation it receives for overall agency management.

Table 2 shows the amount Education spent from each of the 10 programs' funds. Education spent nothing for the Innovative Education and Perkins

[3]See Department of Education, The Use of Federal Education Funds for Administrative Costs (Washington, D.C.: Department of Education, 1998), which addressed the various ways administration is defined.

[4]See Balancing Flexibility and Accountability: Grant Program Design in Education and Other Areas (GAO/T-GGD/HEHS-98-94, Feb. 11, 1998) and Grant Programs: Design Features Shape Flexibility, Accountability, and Performance Information (GAO/GGD-98-137, June 22, 1998).

[5]Education distributes funds to entities other than the states, but for the programs we reviewed, Education allocated most of the funds to the states.

programs. For the Title I program, one of the largest elementary and secondary programs that support education for disadvantaged students, Education spent $3.5 million of the funds, which was less than 1 percent of the program's $7.3 billion appropriation. For the School-to-Work program, which is one of the smaller programs, Education spent the largest percentage—7 percent of the program's funds ($26 million)—for technical assistance and research.

Table 2: Program Funding Spent at the Federal Level in Fiscal Year 1996

Program	Funds used by Education	Percentage of appropriation
Title I	$3,500,000	Less than 1
IDEA	50,000	Less than 1
Perkins	0	0
Safe and Drug-Free Schools	997,000	Less than 1
Goals 2000	226,951	Less than 1
School-to-Work	26,000,000	7
Eisenhower	735,000	Less than 1
Innovative Education	0	0
Bilingual Education	1,828,445	1[a]
Even Start	1,369,350	1

[a]This percentage is based on the total fiscal year 1996 appropriation of $128 million for the Bilingual Education program.

Source: Department of Education.

Education used program funds for a number of activities, such as research, program evaluation, information dissemination, and technical assistance. To illustrate, for three of the programs—Even Start, Bilingual Education, and School-to-Work—Education used funds for technical assistance to the states and information dissemination to states, school districts, and the general public. For Even Start, Eisenhower, Safe and Drug-Free Schools, Bilingual Education, and School-to-Work, Education also spent funds on program evaluation and research. For the Title I program, Education officials reported that the funds supported work by the Bureau of the Census to develop an updated model to estimate the number of children aged 5 to 17 living in poverty, as well as an evaluation of that estimate by the National Academy of Sciences. The poverty estimates are used to determine states' Title I formula allocations. For the Bilingual Education, IDEA, and Goals 2000 programs, Education used a small percentage of the funds for outside reviewers to assess grant proposals. For example, of the $128 million appropriated for the Bilingual

Education program, Education spent about $300,000 for outside reviewers. Education also used $200,000 of the $340 million appropriated for the Goals 2000 program and $50,000 of the $2.6 billion appropriated for the IDEA program for outside reviewers. Other costs, such as salaries and benefits for Education's employees involved in issuing grants and administering the program, were funded from a separate appropriation it receives for agency management. In fiscal year 1996, Education received $327 million through this appropriation to administer all the programs under its purview, and it estimates that it spent about $23 million administering the 10 programs we reviewed.

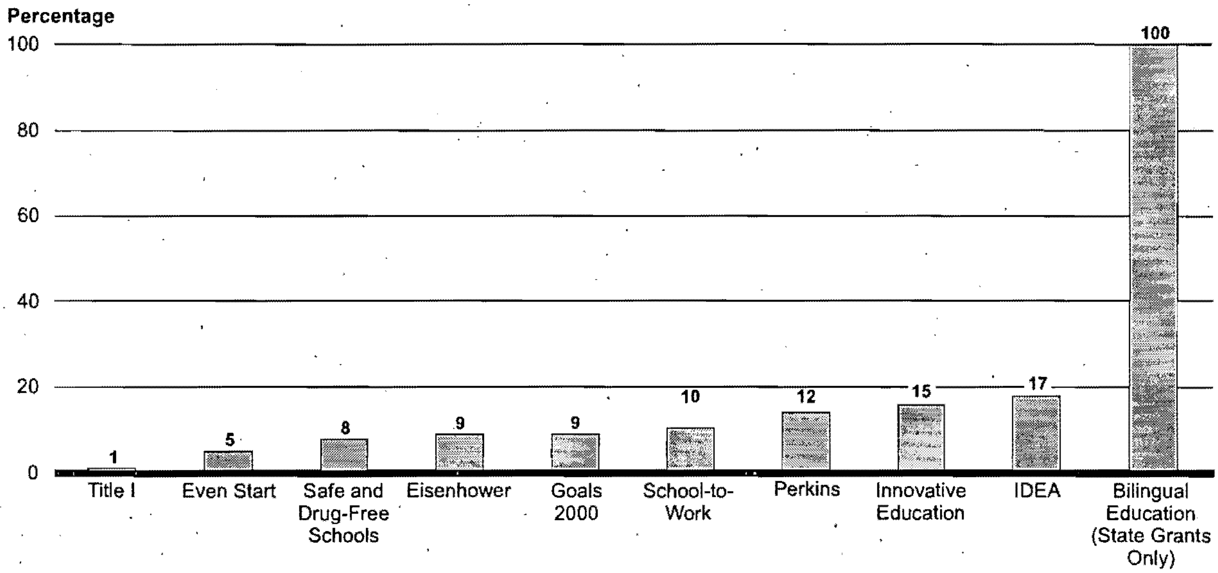
The States Distributed Most of the Funds to Local Agencies

States generally passed on to school districts most of the program funds. The one exception, in which states spent most of the funds, was the Bilingual Education program, because Education only allocated to the states the funds that were intended for state use (the state grant program). Education allocated directly to the localities the Bilingual funds intended for local use. For the other nine programs, the states on average spent from 1 to 17 percent of the funds. States spent the funds on many of the same activities as Education, such as research and evaluation. States also were authorized to spend funds on a wider range of support activities, such as development of student performance standards, curricula design, professional development training, and development of demonstration projects.

States varied from program to program with respect to the percentage of funds they spent themselves and the percentage they distributed to local agencies. Figure 1 shows the average percentage of funds states spent for each of the 10 programs. There was considerable variation in the percentage of a given program's funds that states distributed to school districts. Overall, 94 percent[6] of the federal education funds received by the states for these 10 programs was distributed to local agencies such as school districts. If the $7.3 billion appropriation for the Title I program is excluded, the overall percentage of funds states allocated to local agencies drops to 86 percent. Of the original appropriations for all 10 programs, 92 percent was distributed to local agencies.

[6]This is the weighted average of funds distributed to the local level for these programs. This figure is based on funds that states' education agencies distributed to a range of entities. Thus, although funds were distributed primarily to local education agencies, state education agencies also distributed funds to other entities. These entities include local partnerships; regional and local organizations; nonprofit organizations; programs for single parents, displaced homemakers, and criminal offenders; and other state agencies.

Figure 1: Percentage of Funds Spent by State Education Agencies



In addition, states varied in the percentage of each program's funds they spent (see table 3). For example, for the IDEA program, the percentage of funds that states spent ranged from less than 2 percent in 2 states to 21 percent or more in 16 states. For School-to-Work, the percentage of funds states spent ranged from about 2 percent in five states to over 25 percent in eight states. Most states spent close to the maximum allowed by law (see table 1). For example, the Innovative Education program permits states to spend up to 15 percent of program funds received. Thirty-eight states (88 percent) used between 11 and 15 percent of this program's funds. See appendix II for the percentage of funds each state spent.

Table 3: Range in Percentage of Funds Spent by State Education Agencies, by Program

	Number of states reporting[a]							
Program	**0-2 percent**	**3-5 percent**	**6-10 percent**	**11-15 percent**	**16-20 percent**	**21-24 percent**	**25 percent**	**Over 25 percent**
Title I	38	8	0	0	0	0	0	0
IDEA	2	5	4	13	4	6	9	1[b]
Perkins	1	2	6	26	6	1	0	1
Safe and Drug-Free Schools	1	2	42	0	0	0	0	0
Goals 2000	3	0	37	0	0	0	0	0
Eisenhower	0	7	37	0	0	0	0	1[c]
Bilingual Education[d]	0	0	0	0	0	0	0	40
Innovative Education	0	0	1	38	3	0	0	1[e]
School-to-Work	5	2	10	2	8	2	0	8[f]
Even Start	8	35	2	0	0	0	0	0

Note: In addition to a maximum percentage that states may spend and/or use for administration, many programs provide for a minimum dollar amount as well. As a result, states that benefit from such a provision may end up spending more than the percentage listed in this table.

[a]Numbers are based only on those states that responded to our survey.

[b]Puerto Rico's state education agency is also the local education agency (there is only one school district in Puerto Rico). Therefore, it is allowed to keep and spend all of the funds.

[c]Hawaii's state education agency is also the local education agency. Therefore, it spent all of the funds.

[d]For this part of the analysis, we only examined the funds Education distributed to the states—about 5 percent of total program dollars—and all of those funds were intended to be spent at the state level.

[e]Hawaii, where the state's education agency is also the local education agency, spent 26 percent of the funds on state-related activities and 74 percent on local-level-related activities.

[f]For School-to-Work development grant funds, there are no restrictions on the amount of funds that states can spend at the state level.

States spent the funds on many of the same activities as Education, such as research and evaluation and technical assistance. States also spent their funds on the salaries and benefits of personnel involved in such activities as compliance monitoring and data collection. Moreover, states are authorized to spend some of their funds on activities specific to each program. Following are some examples:

- Under the Eisenhower program, states may spend funds reviewing and reforming state requirements for teacher and administrator licensure, developing performance assessments and peer review procedures for licensing teachers and administrators, and encouraging teacher professional development training.

- Under the Safe and Drug-Free Schools program, states may spend the funds to make cost-effective programs for youth violence and drug abuse prevention available to local education agencies, demonstration projects in drug and violence prevention, and financial assistance to enhance resources available for drug and violence prevention in areas serving large numbers of economically disadvantaged children.
- Under the Goals 2000 program, states may spend their funds supporting the development or adoption of state content standards and state student performance standards; supporting innovative and proven methods of enhancing a teacher's ability to identify student learning needs; and promoting public magnet schools, public charter schools, and other mechanisms for increasing choice among public schools.
- Under the School-to-Work program, states may spend funds identifying or establishing appropriate state structures to administer the statewide school-to-work system and designing challenging curricula in cooperation with representatives of local partnerships.

Schools and school districts used federal funds for classroom services and support services and to meet federal administrative requirements. Fulfilling the federal requirements necessitates some commitment of staff resources at both the school district and school levels. We reviewed the extent to which local staff spent time responding to federal program administrative requirements in 9 of the nation's 16,000 school districts (see app. III for detailed information about the time spent on these activities). We found that the amount of time district office staff spent administering these programs varied by district and by program. Of the 10 programs reviewed, school district staff reported more involvement in administrative activities related to the Safe and Drug-Free Schools program than for other programs. Most district staff had responsibility for only one program each. Staff told us that their administrative duties included requesting and reviewing grant applications, monitoring how programs are implemented, and reporting on programs. About 70 percent of personnel in the 15 schools we visited, primarily teachers, did not have administrative responsibilities for the 10 programs reviewed. When they did, however, the majority of them had administrative responsibilities for the Title I program. The amount of time school staff spent administering the Title I program was usually a day or less out of the school year for each administrative duty assigned them.

Agency Comments

Education provided technical comments on a draft of this report, which we incorporated in the report as appropriate.

Copies of this report are being sent to the Honorable Richard W. Riley, Secretary of Education; the Honorable Alexis M. Herman, Secretary of Labor; and interested congressional committees. We will also make copies available to others upon request.

If you have questions about this report, please call me on (202) 512-7215. Other contacts and staff acknowledgments are listed in appendix IV.

Marnie S. Shaul

Marnie S. Shaul
Associate Director, Education, Workforce,
and Income Security Issues

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Abbreviations

ESEA	Elementary and Secondary Education Act of 1965
IDEA	Individuals With Disabilities Education Act

Scope and Methodology

This appendix discusses in detail our scope and methodology for determining the percentage of federal funds spent at the federal and state levels and the uses of funds at each level, as well as the amount of time school and district staff spent fulfilling federal administrative requirements.

Scope

We collected financial information for fiscal year 1996 from 10 Department of Education programs. Six programs were authorized under the Elementary and Secondary Education Act of 1965, as amended (ESEA): title I, part A—Title I program; title 1, part B—Even Start; title II—Dwight D. Eisenhower Professional Development program; title IV—Safe and Drug-Free Schools and Communities; title VI—Innovative Education Program Strategies; and title VII—Bilingual Education. We also collected funding information for programs under four other acts: the Individuals With Disabilities Education Act (IDEA), part B—IDEA program; the Carl D. Perkins Vocational and Applied Technology Education Act, as amended—Perkins; Goals 2000: Educate America Act, title III—Goals 2000; and School-to-Work. (See table I.1.) We focused on collecting financial information and did not evaluate program effectiveness or impact.

Table I.1: Programs Reviewed

Act	Program
ESEA	Title I, part A: Improving Basic Programs Operated by Local Educational Agencies
	Title I, part B: Even Start Family Literacy Programs
	Title II, part B: Dwight D. Eisenhower Professional Development Program
	Title IV (also known as the Safe and Drug-Free Schools and Communities Act of 1994), part A, subpart 1: State Grants for Drug and Violence Prevention Programs
	Title VI: Innovative Education Program Strategies
	Title VII, part A (also known as the Bilingual Education Act): Bilingual Education
Goals 2000: Educate America Act	Title III: State and Local Education Systemic Improvement
Carl D. Perkins Vocational and Applied Technology Education Act, as amended	Title II: Vocational Education Assistance to the States
IDEA	Part B: Assistance for Education of All Children With Disabilities
School-to-Work Opportunities Act of 1994	Title II: School-to-Work Opportunities System Development and Implementation Grants to States

Methodology

To determine the percentage of funds spent at the federal level and distributed to the states, we asked officials at the Department of Education to provide us with the amount of funds it spent, how these funds were used, and the amount of funds distributed to the states for each program.

To obtain information on how much states received, spent, and distributed to local agencies, in November 1998 we surveyed state officials in all 50 states, the District of Columbia, and Puerto Rico. The surveys were mailed to officials at the state level—typically, officials in the state Department of Education. For each program, we asked respondents to provide us with the total federal funding their state received in fiscal year 1996, instructing them not to include funds that were carried over from previous years. For two states—Oregon and Pennsylvania—respondents were not able to remove carryover funds from the total. Therefore, we included all funds reported by these states as funds received in fiscal year 1996. In addition, we asked respondents to tell us the total amount of federal funds their state education agency spent and how much they passed on to the localities. Response rates are shown in table I.2.

Table I.2: Number of States Responding to Survey, by Program

Program	Number of states[a] receiving program funds	Number of states responding	Response rate (percent)
Title I	52	46	88
IDEA	52	44	85
Perkins	52	43	83
Safe and Drug-Free Schools	52	45	87
Goals 2000	48[b]	40	83
School-to-Work	52	37	71
Eisenhower	52	45	87
Innovative Education	52	43	83
Bilingual Education	48	40	83
Even Start	52	45	87

[a]Includes the District of Columbia and Puerto Rico.

[b]Montana, New Hampshire, and Oklahoma are not included in this total because funds were allocated directly to the local education agencies. California is also excluded because it reported that it did not receive funds until the end of fiscal year 1996 because no state plan was in place.

To obtain information about the time district- and school-level staff spent on activities associated with administering federal programs, we gathered illustrative information from 9 of the nation's 16,000 school districts—3 districts each in California, Maryland, and South Carolina. We selected the states, districts, and schools to be a mix from different sized districts, parts of the country, types of districts (rural, urban, and suburban), and types of schools (elementary and secondary). We also ensured that in each district we gathered information from staff working on many of the 10 programs reviewed.

For each selected school district, we gathered information from officials at the school level and the district level. In total, we interviewed and/or surveyed officials in 15 schools within the nine districts to ascertain how much time they spent fulfilling administrative requirements related to the 10 programs (see table I.3).

Table I.3: School Districts Reviewed

				Programs reviewed									
Place	**Type of district**	**No. of students**	**No. of teachers**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**
California													
Ceres	Suburban	9,458	408	X	X		X	X	X	X		X	
San Diego	Urban	133,687	6,024	X	X	X	X	X	X	X	X	X	X
Shandon	Rural	337	20	X	X		X	X	X				
Maryland													
Baltimore City	Urban	108,759	6,259	X	X	X	X	X	X	X	X	X	X
Baltimore County	Suburban	104,073	6,442	X	X	X	X	X	X	X	X		X
Kent	Rural	2,898	179	X	X	X	X	X	X	X		X	X
South Carolina													
Abbeville	Rural	3,821	262	X	X	X	X	X	X		X		
Charleston	Urban	43,457	2,798	X	X	X	X	X	X	X			X
Dorchester	Suburban	15,367	878	X	X	X	X	X	X	X	X		X

Legend
1 = Title I
2 = Eisenhower
3 = IDEA
4 = Perkins
5 = Safe and Drug-Free Schools
6 = Innovative Education
7 = Goals 2000
8 = Even Start
9 = Bilingual Education
10 = School-to-Work

We defined "administrative responsibilities" as engaging in activities related to applying for, monitoring, or reporting on the use of federal program funds. Specifically, these activities include the following:

- Application/planning process activities refer to those related to preparing an application or plan for submission to the state education agency and/or federal agencies for federal funds for one or more of the education programs of interest. Examples include completing an application or proposal entirely or in part, collaborating with others to complete an application or proposal, and reviewing school or district grant applications.
- Monitoring of federal funds or program activities refer to tracking program expenditures and activities. Examples include tracking participant enrollments and overseeing the program budget to ensure compliance with program requirements and approved plans.

- Reporting of federal funds or program activities refer to reporting program expenditures and/or activities to state and/or federal authorities. Examples include gathering data for federal reports, completing a report on program expenditures and/or activities entirely or in part, and collaborating with others to complete a report on program expenditures and/or activities.

We surveyed or interviewed over 1,000 school- and district-level staff, but our school- and district-level information is not generalizable. For practical reasons, we could not interview or survey all school and district staff, but we were able to gather information from the majority of teachers and the principal in each school and the majority of district-level staff. Through interviews or questionnaires, we asked the staff to indicate whether they had administrative responsibilities and, if so, to estimate the amount of time spent on administrative activities.

At the school level, we interviewed and surveyed 697 staff. Of these, 78 percent were teachers; 10 percent were specialists; and 7 percent were school administrators, such as principals. At the district level, we spoke with 319 officials, including budget and finance officials as well as personnel responsible for program evaluation and compliance. The information from these 9 school districts is illustrative, and, as such, is not necessarily indicative of the nearly 16,000 school districts nationwide. Detailed data from the nine school districts on time spent on administrative activities are in appendix III.

Bilingual Education Program Funds Pose Reporting Challenges

The Bilingual Education program has two funding streams. A small percentage of the funds—approximately 5 percent—is allocated to the states and is intended to be used at the state level. Conversely, the remaining 95 percent generally bypasses the states and is allocated directly to localities. For the other nine programs we reviewed, funds generally flow through the states and then to the localities. Thus, our state survey only captured the 5 percent of the Bilingual Education funds that the Department of Education allocated to the states. Our local school district review examined the administrative responsibilities associated with the 95 percent of the Bilingual funds that flowed directly to the localities.

Nonsampling Errors and Data Imputations

All surveys are vulnerable to some nonsampling errors, including measurement errors caused by respondent misinterpretation of the questions or errors that resulted from a lack of response. These errors may affect our survey to some unknown degree. We took several steps to minimize the effect of these problems. For example, we examined responses for extreme values and checked the data for errors in logic. When we could not resolve the questions, we called survey respondents for clarification. In some cases, respondents had reported numbers incorrectly; in these cases, we corrected the data. For each program, to develop our estimate of the percentage of federal funds that was distributed to the localities, we calculated the percentage distributed by the states that completed the survey and applied that percentage to the total amount of federal funds received by states that did not complete the survey.

We conducted our work between July 1997 and August 1999 in accordance with generally accepted government auditing standards.

Percentage of Federal Education Program Funds Spent by State Education Agencies

The amount of program funds spent by the states for support services varied from state to state. The range and median for each program are shown in table II.1. Table II.2 shows the percentage spent from each program, by state.

Table II.1: Range and Median Percentage of Education Program Funds Spent by State Education Agencies

	Range		
Program	**High**	**Low**	**Median**
Title I (N=46)	4	0	1
IDEA (N=44)	25[a]	0	13
Perkins (N=43)	31	0	13
Safe and Drug-Free Schools (N=45)	9	0	9
Goals 2000 (N=40)	10	0	10
Eisenhower (N=45)	10[b]	4	10
Bilingual Education[c] (N=40)	100	90[d]	100
Innovative Education (N=43)	17[e]	10	15
School-to-Work (N=37)	100[f]	0	13
Even Start (N=45)	7	0	5

[a]Puerto Rico spent all of its funds, but it is an anomaly because the state is also the local education agency.

[b]Hawaii spent all of its funds, but it is an anomaly because the state is also the local education agency.

[c]Almost all Bilingual Education program funds ($121 million of $128 million) are distributed to local education agencies directly by the Department of Education. About 5 percent of the funds go to the states. This table reflects only information on the state grants.

[d]Although all of the Bilingual Education funds we looked at are intended to be used at the state level, two states allocated a portion of their funds to local agencies.

[e]Hawaii, where the state education agency is also the local education agency, spent 26 percent of the funds on state-related activities and 74 percent on local-level-related activities.

[f]Several states spent all of their School-to-Work development grant funds for state-level activities, as permitted by law.

Table II.2: Percentage of Education Program Funds Spent by State Education Agencies

	Title I	Even Start	Eisenhower	Safe and Drug-Free Schools	Innovative Education	Bilingual Education	Goals 2000	IDEA	Perkins	School-to-Work
Alabama	[a]	[a]	[a]	[a]	[a]	[a]	[a]	23.1	[a]	[a]
Alaska	3.4	4.6	10.0	9.0	[a]	100.0	10.0	11.4	14.3	20.2
Arizona	1.4	3.0	5.0	9.0	15.0	[a]	10.0	[a]	14.5	10.0
Arkansas	[a]	[a]	[a]	[a]	[a]	[a]	[a]	[a]	[a]	[a]
California	1.2	5.0	5.0	9.0	13.6	100.0	[b]	5.0	8.1	[a]
Colorado	[a]	[a]	[a]	[a]	[a]	[a]	[a]	[a]	[a]	[a]
Connecticut	1.5	5.0	10.0	9.0	15.0	100.0	10.0	22.7	13.3	19.4
Delaware	2.5	5.0	10.0	7.8	15.0	100.0	10.0	24.0	11.6	[a]
District of Columbia	0	0.0	4.2	0.0	15.0	100.0	0.0	0.0	16.2	9.4
Florida	1.5	5.0	8.4	9.0	15.0	100.0	10.0	24.4	31.0	3.5
Georgia	1.0	[a]	10.0	9.0	17.0	100.0	9.3	[a]	13.8	[a]
Hawaii	3.1	5.0	100.0	9.0	26.1	100.0	8.1	25.0	0.0	20.0
Idaho	2.3	5.0	[a]	9.0	[a]	100.0	10.0	[a]	13.3	[a]
Illinois	1.5	6.7	10.0	9.0	14.9	100.0	1.0	21.5	9.6	0.5
Indiana	1.5	5.0	9.8	9.0	15.0	100.0	5.6	13.3	[a]	[a]
Iowa	1.5	1.0	10.0	9.0	15.0	100.0	10.0	24.9	13.3	6.9
Kansas	1.5	5.0	10.0	9.0	15.0	100.0	10.0	18.4	21.4	23.8
Kentucky	1.5	5.0	9.8	9.0	15.0	[b]	10.0	16.3	16.9	7.1
Louisiana	1.5	1.8	10.0	9.0	15.0	100.0	10.0	13.0	13.7	16.5
Maine	2.1	5.0	10.0	2.8	[a]	100.0	[a]	21.5	13.7	6.0
Maryland	1.5	5.0	10.0	9.0	15.0	100.0	10.0	7.8	18.4	9.1
Massachusetts	1.4	5.0	10.0	9.0	15.0	100.0	[a]	12.7	9.3	18.4
Michigan	1.0	5.0	10.0	9.0	15.0	100.0	10.0	12.5	4.9	[a]
Minnesota	1.0	5.0	5.0	9.0	15.0	100.0	10.0	17.2	13.3	21.4
Mississippi	1.5	0.0	10.0	9.0	15.0	100.0	8.0	15.0	13.5	100.0
Missouri	1.6	0.0	10.0	9.0	16.5	100.0	10.0	3.6	17.4	19.5
Montana	2.3	5.0	10.0	9.0	15.0	100.0	[b]	10.8	8.4	39.8
Nebraska	[a]	[a]	[a]	[a]	[a]	[a]	[a]	[a]	[a]	[a]
Nevada	2.9	5.0	7.5	9.0	13.7	100.0	10.0	5.0	13.7	28.1
New Hampshire	3.7	1.9	10.0	9.0	15.0	100.0	[b]	25.0	17.9	20.0
New Jersey	1.5	5.0	10.0	6.0	15.0	100.0	10.0	12.1	17.8	8.6
New Mexico	1.5	5.3	10.0	7.9	15.0	100.0	10.0	5.1	[a]	[a]
New York	0.9	4.4	5.0	4.8	15.0	100.0	10.0	25.0	13.4	1.4
North Carolina	1.5	5.0	10.0	9.0	10.0	100.0	10.0	3.6	4.9	0.0

(continued)

	Title I	Even Start	Eisenhower	Safe and Drug-Free Schools	Innovative Education	Bilingual Education	Goals 2000	IDEA	Perkins	School-to-Work
North Dakota	3.5	5.0	5.0	9.0	15.0	100.0	10.0	10.9	10.7	100.0
Ohio	1.5	4.6	8.3	a	15.0	a	10.0	11.5	13.5	12.8
Oklahoma	1.5	0.0	10.0	9.0	15.0	100.0	b	11.7	13.5	a
Oregon	1.5	5.0	10.0	9.0	15.0	100.0	10.0	25[c]	13.5	10.0
Pennsylvania	1.5	5.0	6.4	9.0	15.0	b	9.0	25[c]	a	2.0
Puerto Rico	1.0	5.0	7.6	8.8	16.4	100.0	10.0	100.0	6.0	100.0
Rhode Island	a	a	a	a	a	b	a	a	a	a
South Carolina	1.5	5.9	9.2	9.0	15.0	100.0	10.0	5.7	13.3	31.5
South Dakota	3.1	5.0	5.0	9.0	15.0	100.0	7.6	13.7	14.1	a
Tennessee	1.5	5.0	10.0	9.0	15.0	100.0	10.0	20.0	13.5	30.0
Texas	1.5	5.0	10.0	9.0	15.0	100.0	10.0	25.0	13.4	a
Utah	1.8	5.0	10.0	9.0	15.0	91.9	8.1	0.0	13.5	8.0
Vermont	a	a	a	a	a	a	a	a	a	3.3
Virginia	1.0	5.0	10.0	9.0	15.0	b	0.0	9.2	11.5	11.1
Washington	1.5	3.6	10.0	9.0	12.6	100.0	10.0	12.5	11.6	2.1
West Virginia	1.3	5.0	9.6	9.0	15.0	b	10.0	25.0	13.5	20.0
Wisconsin	1.5	5.0	10.0	9.0	15.0	100.0	10.0	25.0	15.1	6.7
Wyoming	3.8	0.9	6.6	9.0	12.1	90.3	10.1	10.1	6.5	100.0
Percentage spent nationwide	1.4	4.5	8.8	8.5	14.8	99.7	8.7	16.8	12.4	10.4
Median	1.5	5.0	10.0	9.0	15.0	100.0	10.0	13.5	13.5	12.8

[a]State did not respond to our survey for this program.

[b]State received no funding for this program.

[c]In Oregon and Pennsylvania, officials were unable to separate carryover funds.

Illustrative Examples From Districts and Schools

This appendix contains information from interviews with and surveys of 319 school district staff and 697 school-level staff in the nine districts we visited. We asked them to tell us about their involvement in administering the 10 programs reviewed in school year 1996-97. Specifically, we asked them whether they had application, monitoring, and/or reporting administrative duties. The tables in this appendix reflect only those staff who indicated that they had administrative duties—210 district-level staff and 201 school-level staff, 66 and 29 percent, respectively, of those we interviewed or surveyed.

By administration, we mean those activities related to applying for, monitoring, or reporting on federal funds (see app. I).

Tables III.1 through III.3 provide information on district-level staff involvement in the administration of the 10 programs reviewed in academic year 1996-97:

- the number of programs for which each district staff member was responsible (table III.1);
- the number of district staff members reporting responsibilities for application, monitoring, and/or reporting administrative activities (table III.2); and
- the amount of time district staff members reported they spent in fulfilling administrative requirements for each program (table III.3).

Tables III.4 through III.6 provide information on school-level staff involvement in the 10 programs reviewed in school year 1996-97:

- the number of programs for which each school-level staff member was responsible (table III.4);
- the number of school staff members reporting responsibilities for application, monitoring, and/or reporting administrative activities (table III.5); and
- the amount of time school staff members reported spending fulfilling administrative requirements for each program (table III.6).

District-Level Staff Administrative Responsibilities

Of the district staff who had administrative responsibilities, two-thirds reported administrative responsibilities for only 1 of the 10 programs reviewed; few staff had responsibility for more than 3 programs. (See table III.1.)

Table III.1: Number of Programs for Which District Staff Members Had Administrative Responsibilities, School Year 1996-97

Number of programs	Number of district staff members who reported having responsibility for program
1	137
2	44
3	10
4	4
5	2
6	7
7	3
8	0
9	1
10	2

The largest number of district staff reported having application, monitoring, or reporting responsibilities for the Safe and Drug-Free Schools program, followed by the Title I program. (See table III.2.)

Table III.2: Number of School District Staff Members Reporting Responsibilities for Application, Monitoring, and/or Reporting Activities, by Program, School Year 1996-97

	Number of staff who reported having responsibility for activity[a]		
Program	Application	Monitoring	Reporting
Safe and Drug-Free Schools	63	63	61
Title I	40	44	33
Eisenhower	25	30	29
Perkins	28	26	26
IDEA	8	22	20
Goals 2000	20	23	19
Innovative Education	18	20	18
School-to-Work	11	12	11
Even Start	10	12	11
Bilingual Education	4	2	3

[a]District staff could report having responsibility for one or more types of administrative activities.

No patterns emerged with respect to the amount of time district staff reported spending on different types of administrative duties or the amount of time they reported spending in performing administrative activities for a given program. (See table III.3.)

Table III.3: School District Staff Members Who Reported Spending Time on Administrative Activities and Amount of Time Spent, by Program, School Year 1996-97

Hours per school year

	Application			Monitoring			Reporting		
Program	**8 hours or less**	**9 to 40 hours**	**40 hours or more**	**8 hours or less**	**9 to 40 hours**	**40 hours or more**	**8 hours or less**	**9 to 40 hours**	**40 hours or more**
Bilingual Education	3	1	0	0	2	0	2	1	0
Even Start	1	3	6	1	6	5	5	2	4
School-to-Work	4	6	1	1	5	6	6	4	1
IDEA	4	3	1	4	5	13	7	8	5
Innovative Education	9	8	1	7	10	3	11	6	1
Eisenhower	9	11	5	9	11	10	12	12	5
Perkins	10	16	2	9	8	9	11	12	3
Goals 2000	5	12	3	7	9	7	13	4	2
Safe and Drug-Free Schools	29	23	11	20	25	18	35	19	7
Title I	4	12	24	7	8	29	7	12	14

School-Level Staff Administrative Responsibilities

Of the school-level staff who had administrative responsibilities, about 70 percent reported having administrative responsibilities for 1 of the 10 programs reviewed; few school-level staff had responsibility for more than 3 programs. (See table III.4.)

Table III.4: Number of Programs for Which School-Level Staff Members Had Administrative Responsibilities, School Year 1996-97

Number of programs	Number of school-level staff reporting administrative responsibility
1	144
2	33
3	14
4	7
5	0
6	1
7	1
8	0
9	0
10	0

The largest number of school-level staff reported having application, monitoring, and/or reporting responsibilities for the Title I program, followed by IDEA, for which monitoring responsibilities were more often cited. (See table III.5.)

Table III.5: Number of School-Level Staff Members Reporting Responsibilities for Application, Monitoring, or Reporting Activities, by Program, School Year 1996-97

	Number of staff involved in administrative activity[a]		
Program	Application	Monitoring	Reporting
Title I	87	74	53
IDEA	2	39	17
Safe and Drug-Free Schools	12	8	8
Perkins	2	2	1
Eisenhower	11	2	1
Innovative Education	7	1	1
School-to-Work	3	8	9
Even Start	1	0	0
Bilingual Education	0	1	0
Goals 2000	0	1	0

[a]School-level staff could report having responsibility for one or more types of administrative activities.

As table III.5 also showed, the largest number of school-level staff had responsibilities for the Title I program, followed by the IDEA program. Table III.6 shows that staff with administrative responsibilities for the Title I program tended to spend 8 hours or less per year on each of the administrative activities to which they were assigned. For the IDEA program, for which staff had more monitoring responsibilities, the amount of time school-level staff spent monitoring was split between staff who reported that they spent 9 to 40 hours and staff who spent 40 hours or more in a school year on monitoring activities.

Table III.6: Number of School-Level Staff Who Reported Spending Time on Administrative Activities and Amount of Time Spent, School Year 1996-97

Hours per school year

	Application			Monitoring			Reporting		
	8 hours or less	9 to 40 hours	40 hours or more	8 hours or less	9 to 40 hours	40 hours or more	8 hours or less	9 to 40 hours	40 hours or more
Title I	69	15	3	51	17	6	36	15	2
IDEA	1	1	0	3	18	18	2	8	7
Safe and Drug-Free Schools	10	2	0	3	4	1	6	2	0
Eisenhower	9	2	0	1	1	0	0	1	0
Innovative Education	7	0	0	0	1	0	1	0	0
School-to-Work	2	0	1	3	2	3	5	2	2
Perkins	1	1	0	0	2	0	0	1	0
Goals 2000	0	0	0	0	1	0	0	0	0
Bilingual Education	0	0	0	1	0	0	0	0	0
Even Start	1	0	0	0	0	0	0	0	0

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Staff Acknowledgments

In addition to those named above, Sandra Baxter, Patricia Bundy, Kimberly Campbell, Tamara Lumpkin, Ellen K. Schwartz, Edward Tuchman, Craig Winslow, and Elizabeth T. Morrison made key contributions to this report.

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