



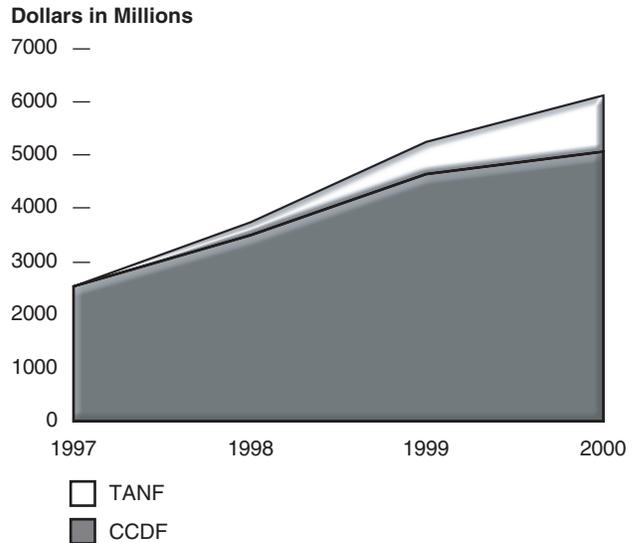
Strategic Objective:

## The Education and Protection of the Nation's Children

**Issue:** Educating and protecting children are important to the continued vitality of this democratic society and to its long-term ability to compete in a global marketplace. To this end, the federal government invests more than \$90 billion per year in programs that foster the development, education, and protection of children from childbirth through elementary and secondary school and postsecondary education. Although federal spending is only about 7 percent of total spending on education, the federal government's efforts are especially important in ensuring that all children have the opportunity to meet high academic standards from kindergarten through high school. The government's postsecondary efforts provide access to higher education for all through the use of loans, grants, and other financial tools, while protecting the financial interests of taxpayers.

According to the most recently available data, the federal government spent more than \$9 billion in fiscal year 1999 on 29 programs that have early childhood education or care as an objective. These programs, including Head Start, are geared principally toward disadvantaged children from infancy to age 5—a developmental period during which early investment may lead to better performance in school years. Beyond inherent concerns about fragmentation and overlap among these programs, there is also concern about their effectiveness. Although the Department of Health and Human Services (HHS) and the Department of Education are sponsoring research on some of these programs, little is known about their ultimate effect, especially on school-readiness and early literacy skills—two areas at the center of the federal education focus. Federal investment in child care has been growing, in part to support low-income mothers who have entered the workforce due to welfare reform (see fig. 1.2). Policy-makers at the federal and state levels are concerned about the cost, quality, and availability of child care.

**Figure 1.2: Growth of Federal Investment in Child Care, Fiscal Years 1997 through 2000**



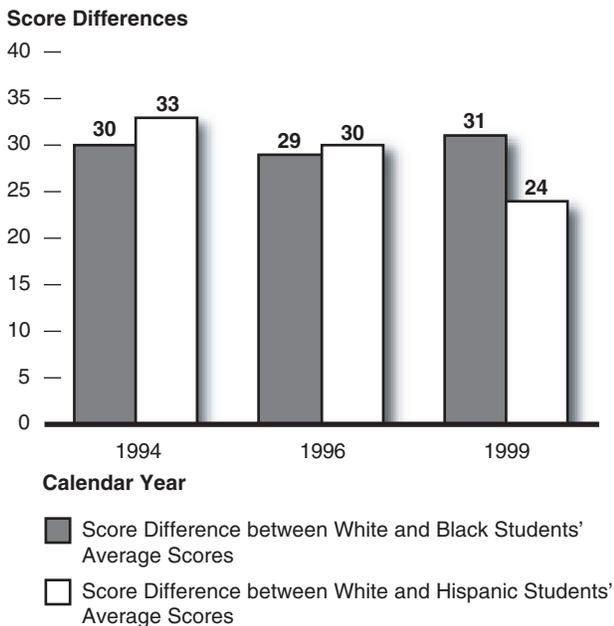
Note: Child Care and Development Fund (CCDF) amounts include dollars states transferred from their Temporary Assistance for Needy Families (TANF) programs to CCDF as allowed under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. The amounts shown for TANF include only those TANF funds expended for child care.

Source: Administration for Children and Families, HHS.

Federal elementary and secondary school programs are especially designed to ensure that children in poor families and children who are disadvantaged are given the opportunity to meet challenging academic standards, which will give them the skills to succeed. The United States places a high priority on educating its children at the elementary and secondary levels and has increased the federal investment from over \$20 billion in fiscal year 2000 to nearly \$30 billion in fiscal year 2002. However, this increased investment is accompanied by an increased emphasis on accountability for schools to raise all students to proficient levels in math and reading. With the reauthorization of the Elementary and Secondary Education Act, the Congress has placed additional requirements on states, beyond those in the 1994 act. For example, the Congress required testing in three additional grades and mandated actions for

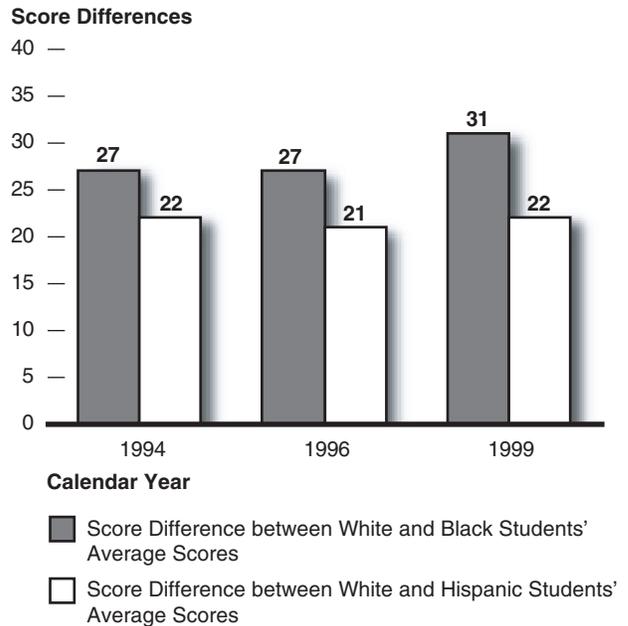
schools that fail to improve the performance of their students. All students—including those from poor families, with limited English proficiency, and with disabilities—are expected to meet challenging academic standards. However, an achievement gap exists between different groups of students, for example between white and African American students and between white and Hispanic students (see figs. 1.3 and 1.4). Dissatisfied with this continued achievement gap, policymakers are exploring a variety of school reform initiatives and strategies to improve school performance, improve teaching, reduce student dropout rates, and enhance educational options for the nation’s children.

**Figure 1.3: Achievement Gaps in Reading at Age 17**



Source: National Center for Education Statistics, National Assessment of Educational Progress, 1999 Long-Term Trend Assessment.

**Figure 1.4: Achievement Gaps in Math at Age 17**



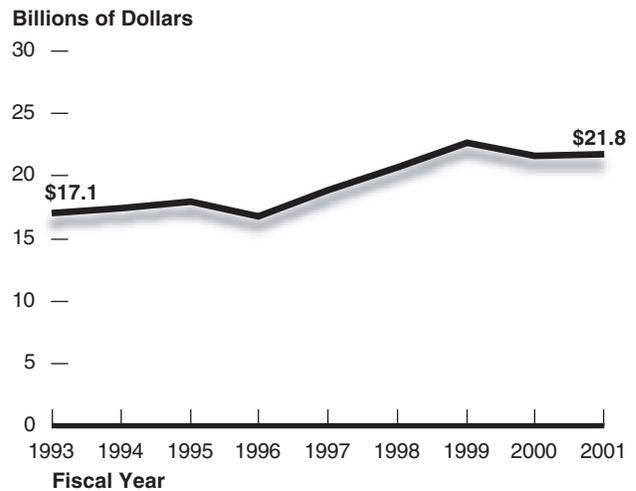
Source: National Center for Education Statistics, National Assessment of Educational Progress, 1999 Long-Term Trend Assessment.

The nation also needs to be concerned about protecting its children and ensuring that families have the financial means to provide for their children’s needs. Each year, over 800,000 children are found to be the victims of abuse and neglect by their parents, relatives, or other caregivers. Tragically, over 1,000 children die each year from abuse and neglect. While responsibility for investigating reports of abuse and neglect and providing services to families falls primarily to state child protective service agencies, the federal government invests approximately \$6 billion annually to provide care for children who need placement outside their homes, services to help keep families together or to reunite them, and training and research activities to improve child welfare services nationwide. Moreover, nearly 23 million children live with only one of their parents. To help obtain the financial support noncustodial parents owe their children and to help single-parent families achieve or maintain economic self-sufficiency, the Congress established a joint federal/state child support enforcement program in 1975 to help locate noncustodial parents, establish paternity and child support obligations, and enforce child support.

Beyond providing for basic educational needs, a competitive national economy depends, in part, on effectively preparing workers to compete in the labor force. To this end, the federal government currently supports over \$50 billion annually to enhance students’ access to postsecondary,

vocational, and adult education. In particular, the government's investment in supporting college students with direct loans and loan guarantees results in over \$30 billion of new loans annually. This is in addition to over \$8 billion yearly for Pell grants to college students from low-income families. The federal government also provides higher education subsidies for students or their families through such benefits as the Hope and lifetime learning tax credits and the deferral of tax on the earnings of contributions to qualified state tuition programs. These tax expenditures are just over \$12 billion annually. A major concern with the nation's investment in postsecondary education is its exposure to significant losses. While student loan default rates have decreased in recent years, student loan defaults still cost the federal government billions of dollars each year. For example, in fiscal year 2000, default costs for the Federal Family Education Loan Program were about \$1.4 billion, while defaults under the Federal Direct Loan Program exceeded \$600 million. The cumulative principal amount outstanding from defaulted student loans stood at about \$22 billion in fiscal year 2001 (see fig. 1.5).

**Figure 1.5: A Growing Balance of Defaulted Loans Is Subject to Collection, 1993 through 2001**



Note: Balances include defaulted loans under both the Federal Family Education Loan and Federal Direct Loan Programs. Fiscal year 2000 and 2001 data are from draft financial statements.

Source: Department of Education, Budget Service.

**Performance Goals:** To support efforts by the Congress and the federal government to address these issues, GAO will

- analyze the effectiveness and efficiency of early childhood education and care programs in serving their target populations;
- assess options for federal programs to effectively address the educational and nutritional needs of elementary and secondary students and their schools;
- determine the effectiveness and efficiency of child support enforcement and child welfare programs in serving their target populations; and
- identify opportunities to better manage postsecondary, vocational, and adult education programs and deliver more effective services.

## *Analyze the Effectiveness and Efficiency of Early Childhood Education and Care Programs in Serving Their Target Populations*

### *Key Efforts*

- ❑ Evaluate the design, operation, and management of major federal early education and child care programs
- ❑ Analyze the cost, quality, and availability of child care for low-income families

### *Significance*

According to the most recently available data, the federal government spent more than \$9 billion in fiscal year 1999 on 29 programs geared toward children from infancy to age 5—a developmental period where early investment may lead to a child’s long-term intellectual and language growth—with most of this spending focused on children from low-income or at-risk families. New federal initiatives are emphasizing the importance of helping all children develop school readiness skills, including early reading skills. However, the effect of early childhood programs on helping children prepare to enter school is still being debated. GAO’s work led to a mandated study of Head Start, which, funded at over \$5 billion in fiscal year 2002, is the largest federal early childhood education program. Early childhood education services are provided through other programs, such as Title I, whose primary focus traditionally has not been early childhood. This type of program has not been evaluated for its effect on a child’s readiness for school. Child care is viewed as both a vital support to working families for achieving and maintaining self-sufficiency and a vehicle for helping prepare young children for school. With welfare reform placing greater emphasis on returning former welfare recipients to work, the cost and availability of child care has become an even more important issue than in the past. Because states and localities play the primary role of ensuring that a basic level of quality of child care exists and because individual states approach this task differently, concerns have also arisen about the quality of services being bought with federal money.

### *Potential Outcomes that Could Result when GAO’s Work Is Used*

More effective use of federal funds aimed at improving the education, care, and nutrition of low-income young children

Greater assurance that the federal investment in state and local early education and child care programs is achieving positive results

Informed congressional and agency decisions about ways to improve the management of key early education, child care, and nutrition programs

*Assess Options for Federal Programs to Effectively Address the Educational and Nutritional Needs of Elementary and Secondary Students and Their Schools*

*Key Efforts*

- ❑ Analyze the effectiveness and efficiency of federal reform efforts to improve performance and close achievement gaps for different types of students, including special education students
- ❑ Analyze the contribution of federal programs to improving school performance through enhancing the quality and quantity of teachers, upgrading the school environment (including safety and nutrition), and assessing options for parents in the education of their children
- ❑ Analyze the contribution of federal education programs to improving the self-sufficiency and success of teenagers as they make the transition to adulthood
- ❑ Evaluate the adequacy of management structures, processes, and controls for federal elementary and secondary education programs for ensuring program integrity

*Significance*

Americans have placed a high priority on educating their children and preparing them to become self-sufficient adults and productive workers. For these reasons, the federal government is investing nearly \$30 billion in federal funds in elementary and secondary education in fiscal year 2002. This investment is coupled with new federal requirements aimed at improving student and school performance. Meeting these requirements will be challenging for schools, in part, because of the growing number of disadvantaged students. These students, such as those from poor families, with disabilities, or with limited English proficiency, generally have not performed as well as other groups of children on tests. With the signing of the Elementary and Secondary Education Act in 2002, the Congress has instituted requirements to facilitate the elimination of this achievement gap, and policymakers are exploring ways to improve teaching and enhance educational options. In addition, recent threats to the United States underscore the continuing concern of parents and policymakers with students' school environment, including school safety and building quality. Because obesity is a major health issue for children, there are questions about the nutritional aspects of federally supported school meal programs.

*Potential Outcomes that Could Result when GAO's Work Is Used*

More effective services provided to different types of at-risk students so that they are more likely to improve school performance

Better congressional understanding of the resources needed for a world-class education system

Better congressional understanding of transition issues for teenagers and the role the federal government can play in their transition to adulthood

Administrative and potential legislative actions to improve elementary and secondary education programs and a reduction in fraud, waste, and abuse in elementary and secondary education programs

*Determine the Effectiveness and Efficiency of Child Support Enforcement and Child Welfare Programs in Serving Their Target Populations*

*Key Efforts*

- ❑ Determine whether the federal, state, and local child support enforcement programs are achieving program goals in an efficient manner
- ❑ Determine whether the federal, state, and local child welfare programs are providing appropriate services and achieving program goals
- ❑ Assess federal and state efforts to utilize information management technology and to safeguard sensitive child welfare and child support enforcement information

*Significance*

The United States has nearly 3 million children at risk of abuse and neglect each year. An increasing number of these children will be removed from their homes and many will not be able to return safely. Concerns about children’s safety and long stays in foster care without being placed in permanent homes culminated in the passage of the Adoption and Safe Families Act of 1997. Policymakers are now concerned about the states’ implementation of the act and whether outcomes for children have improved. Moreover, many families need child support to help them achieve or maintain economic self-sufficiency. Only 40 percent of custodial parents receive all the child support owed to them. About 17 million child support cases exist. Provisions in the 1996 welfare reform legislation strengthened and improved state child support collection activities. Nonetheless, policymakers continue to have questions about the program’s ability to increase collections, the effectiveness of new enforcement tools, and how new databases are used, particularly in light of privacy concerns.

*Potential Outcomes that Could Result when GAO’s Work Is Used*

- More effective use of federal funds directed toward increasing child support collections and improving other child support services
- Enhanced support and coordination among federal, state, and local entities responsible for child support enforcement
- Greater success in ensuring positive outcomes for abused and neglected children
- Improved support and coordination among federal, state, and local entities responsible for child welfare
- Informed congressional and agency decisions regarding (1) sharing/giving access to sensitive and personal information and (2) establishing adequate safeguards that minimize the risk of improper disclosure of sensitive and personal information
- Greater assurance that the federal investment in information systems is achieving positive results and providing useful information for congressional decision making

*Identify Opportunities to Better Manage Postsecondary, Vocational, and Adult Education Programs and Deliver More Effective Services*

*Key Efforts*

- ❑ Assess the efficiency and effectiveness of programs designed to promote access to and affordability of postsecondary education for students
- ❑ Evaluate the federal role in ensuring quality in the management of postsecondary (especially student financial aid), vocational, and adult education programs
- ❑ Assess the extent to which federal postsecondary, vocational, and adult education programs address the skills needed in the 21st century's knowledge-based economy
- ❑ Assess implications of heightened homeland security for student visa programs, educational institutions, and students

*Significance*

The federal government uses several tools to ensure access to postsecondary education and lifelong learning. The Department of Education administers federal grant and loan programs that provide over \$50 billion annually to help finance the higher education of millions of students. While these programs have been successful in providing students with access to money for postsecondary education, they have been less successful in protecting the financial interests of U.S. taxpayers. To improve services and program management while reducing the costs of delivering aid, thereby improving the protection of taxpayers' financial interests, Education now delivers its student financial assistance programs through a performance-based organization. The federal government also assists those who do not attend college through a number of programs, including ones aiding the transition from high school to the workplace, vocational education after high school, and adult basic education. In addition, the federal government subsidizes students through tax benefits such as the Hope scholarship credit and lifetime learning tax credit. The federal government needs to ensure that these programs and tax expenditures are efficient and effective tools for providing the skills needed in today's workplace.

*Potential Outcomes that Could Result when GAO's Work Is Used*

Increased participation of disadvantaged students in postsecondary education via better use of federal resources

Informed congressional and agency decisions on ways to improve the management of student financial assistance and other postsecondary, vocational, and adult education programs

Increased efficiency and effectiveness of federal postsecondary, vocational, and adult education programs in addressing current and future skills needs

Informed decision making in balancing the need to monitor foreign students with the benefits of their enrollment in the nation's institutions of higher education