



Report to the Committee on Homeland
Security and Governmental Affairs, U.S.
Senate

February 2018

DEPARTMENT OF EDUCATION

Resource and Achievement Trends

GAO Highlights

Highlights of [GAO-18-154](#), a report to the Committee on Homeland Security and Governmental Affairs, U.S. Senate

Why GAO Did This Study

Education has primary responsibility for administering many federal elementary, secondary, and postsecondary education programs. The agency plays a key role in supporting educational opportunities for students and managing federal student aid programs. GAO was asked to review trends in resources and achievement at Education. This report provides information on:

- the role of the federal government in education, including resources used for K-12 public education and higher education;
- trends in key indicators of K-12 student achievement and access to higher education; and
- Education's progress meeting its goals and objectives.

GAO analyzed publicly available Education data and information from other selected sources, such as federal budget data, the Common Core of Data, the National Assessment of Educational Progress, and Trends in International Mathematics and Science Study. GAO analyzed trends from 1980 through 2016, or the most recent year available. GAO also analyzed Education's key goals and objectives related to K-12 student achievement and access to higher education, as reported in its strategic planning documents, from 1998 (when these documents were first required) through 2016 (the most recent available).

GAO is not making recommendations in this report. Education provided technical comments on a draft of this report, which we incorporated, as appropriate.

View [GAO-18-154](#). For more information, contact Jacqueline M. Nowicki at (617) 788-0580 or nowickij@gao.gov.

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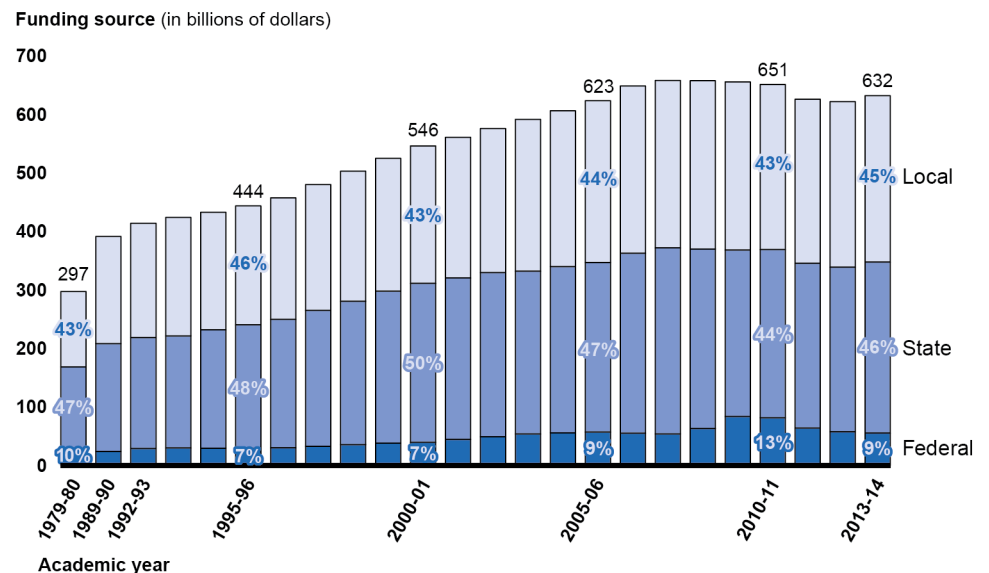
DEPARTMENT OF EDUCATION

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What GAO Found

Since the Department of Education (Education) began operations in fiscal year 1980, its mission has included promoting student achievement and ensuring equal access to educational opportunity. To do so, Education partners with state and local governments, which provide most of the resources to school districts for K-12 programs. Federal funds accounted for 6 to 13 percent of the annual funding for public K-12 schools from 1980 to 2014, according to the most recent available data (see figure). Education also provides funds to help support higher education. In fiscal year 2016, Education provided \$30.8 billion for selected higher education federal grant and work study programs and was responsible for a portfolio of \$1.3 trillion in outstanding student loans.

Public Elementary and Secondary School Funding by Source, School Years 1980-2014



Source: GAO analysis of data from the Common Core of Data (CCD), as reported in the Digest of Education Statistics. | GAO-18-154

Trends in key indicators of K-12 student achievement have improved from 1980 through 2015, according to the most recent available data. Achievement gaps narrowed in reading and math between White and Black students and between White and Hispanic students. Regarding trends in key indicators for access to higher education, tuition, fees, and room and board also increased (after adjusting for inflation).

Since 1998, Education's strategic planning documents report meeting or exceeding about a quarter of its performance indicators for K-12 student achievement and more than a third of its indicators for access to higher education. From 1998 through 2016, Education reported, on average, meeting or exceeding 25 percent of its K-12 student achievement indicators and not meeting 29 percent. Education reported other outcomes, such as having had discontinued metrics, for, on average, 46 percent of K-12 student achievement indicators.

Contents

Letter		1
	Role of the Federal Government in Education	3
	Federal, State, and Local Resources Used for K-12 Public Education	11
	Federal Spending for Higher Education	18
	Key Measures of K-12 Student Achievement	23
	Key Measures of Access to Higher Education	29
	Education's Reported Progress in Meeting Goals and Objectives	34
	Agency Comments and Our Evaluation	41
Appendix I	Objectives, Scope, and Methodology	42
Appendix II	GAO Contact and Staff Acknowledgments	48
Related GAO Products		49
Tables		
	Table 1: Summary of Responsibilities of Selected U.S. Department of Education (Education) Offices	6
	Table 2: Strategic Goals from Each of the Department of Education's Strategic Plans	34
Figures		
	Figure 1: Spending by Four Key Education Offices, Fiscal Years 1980-2016	9
	Figure 2: Trends in the Department of Education's Full-Time Equivalent (FTE) Staffing Levels, Fiscal Years 1981-2016	11
	Figure 3: Public Elementary and Secondary School (K-12) Funding by Source of Funds, School Years 1979-2014	12
	Figure 4: Public Elementary and Secondary School (K-12) Funding by State and Source of Funds, School Year 2013-2014	14
	Figure 5: Public Elementary and Secondary School (K-12) Funding by U.S. Territory and Source of Funds, School Year 2013-2014	15

Figure 6: Public Elementary and Secondary School (pre-K through 12) Annual Student Enrollment in the United States, 1980-2014	16
Figure 7: Public Elementary and Secondary School (K-12) State Expenditures per Student, School Year 2013-14	17
Figure 8: Spending on Three Key Higher Education Federal Grant and Work Study Programs, Fiscal Years 1980-2016	19
Figure 9: Current Estimated Subsidy Income and Costs of Federal Student Loans Issued from Fiscal Year (FY) 1992 through 2016, as of the President’s FY 2018 Budget Request	20
Figure 10: Education’s Direct Loan Program Administrative Costs by Category and Number of Loans, Fiscal Years 2007-2012	22
Figure 11: National Assessment of Educational Progress (NAEP) Long-Term Trend Assessments for 9-, 13-, and 17-Year-Old Students’ Achievement in Reading (1980-2012) and Mathematics (1982-2012)	23
Figure 12: National Assessment of Educational Progress (NAEP) Long-Term Trend Assessments for 9-, 13-, and 17-Year-Old Students’ Achievement by Race/Ethnicity in Reading (1980-2012) and Mathematics (1982-2012)	25
Figure 13: National Assessment of Educational Progress (NAEP) Long-Term Trend Assessments for 9-, 13-, and 17-Year-Old Students’ Achievement by Gender in Reading (1980-2012) and Mathematics (1982-2012)	26
Figure 14: Trends in International Mathematics and Science Study (TIMSS) K-12 Scores by Grade Level, 1995-2015	28
Figure 15: Amount of Outstanding Student Debt from Federal Student Loans for Higher Education, Fiscal Years 2007-2017	29
Figure 16: Average Tuition and Fees and Room and Board Rates Charged for Full-Time Students, by Type of Higher Education Institution, School Years 1980-81 through 2015-16	30
Figure 17: Share of Revenue from Federal, State, Local, and Other Sources Received by Public Higher Education Institutions, School Years 1999-00 through 2014-15	31
Figure 18: Graduation Rates at 2-year and 4-year Higher Education Institutions (1997-2015)	33
Figure 19: Example of a Goal, Objective, and Indicators Published in Education’s Annual Performance Reports	38

Figure 20: Annual Reported Progress of Selected Goals Compiled
at the Indicator-Level by Education, Fiscal Years 1999 to
2016

40

Abbreviations

ACG	Academic Competitiveness Grants
ARRA	American Recovery and Reinvestment Act of 2009
Education	U.S. Department of Education
CCD	Common Core of Data
ESEA	Elementary and Secondary Education Act of 1965, as amended
ESSA	Every Student Succeeds Act
FCRA	Federal Credit Reform Act of 1990
FFEL	Federal Family Education Loan
FSA	Federal Student Aid
FTE	full-time equivalent
GPRA	Government Performance and Results Act of 1993
GPRAMA	GPRA Modernization Act of 2010
HEA	Higher Education Act of 1965, as amended
IDEA	Individuals with Disabilities Education Act, as amended
IPEDS	Integrated Postsecondary Education Data System
K-12	kindergarten through 12 th grade
NAEP	National Assessment of Educational Progress
OESE	Office of Elementary and Secondary Education
OMB	Office of Management and Budget
OPE	Office of Postsecondary Education
OSERS	Office of Special Education and Rehabilitative Services
SMART	National Science and Mathematics Access to Retain Talent
TIMSS	Trends in International Mathematics and Science Study

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February 7, 2018

The Honorable Ron Johnson
Chairman
The Honorable Claire McCaskill
Ranking Member
Committee on Homeland Security and Governmental Affairs
United States Senate

The U.S. Department of Education (Education) plays a key role in supporting educational opportunities for students from kindergarten through college, managing approximately \$99 billion in spending during fiscal year 2016.¹ Education's role includes distributing grants to states and localities and overseeing compliance with federal education laws. It also includes managing federal student aid programs for students pursuing higher education. In fiscal year 2016, Education employed approximately 4,100 full-time equivalent (FTE) employees.²

You asked us to examine questions related to trends in resources and achievement at Education over time. This report provides information on six broad topic areas: (1) the role of the federal government in education, (2) federal, state, and local resources used for kindergarten through 12th grade (K-12) public education; (3) federal resources used for higher education; (4) key measures of K-12 student achievement; (5) key measures of access to higher education; and (6) Education's reported progress meeting its goals and objectives.

We focused our review on four Education offices: (1) Office of Postsecondary Education (OPE), (2) Federal Student Aid (FSA), (3) Office of Special Education and Rehabilitative Services (OSERS), and (4) Office of Elementary and Secondary Education (OESE). We chose these offices because they manage most aspects of implementing three key Education laws: these laws are the Higher Education Act of 1965 (HEA),

¹In this report, we use the term "spending" to refer to federal obligations. An obligation is a definite commitment that creates a legal liability for the payment of goods and services ordered or received. An agency incurs an obligation, for example, when it places an order, signs a contract, or takes other actions that require the government to make payments.

²For more information on the FTE levels at Education see GAO, *Department of Education: Staffing Levels Have Generally Decreased Over Time, while Contracting Levels Have Remained Relatively Stable*, [GAO-17-669R](#) (Washington, D.C.: June 12, 2017).

as amended, the Individuals with Disabilities Education Act (IDEA), as amended, and the Elementary and Secondary Education Act of 1965 (ESEA), as amended.³ (For information about these laws see appendix I.) These offices have managed 90 percent of Education’s annual spending. For questions in each topic area, we reviewed relevant federal laws, regulations, and guidance.

- To address questions about the federal role in education, we reviewed various Education documents, including budget documents, strategic plans, performance reports, and financial reports. We also reviewed data from the Office of Management and Budget’s (OMB) MAX database.
- To address questions on federal, state, and local resources used for K-12 public education, we obtained and reviewed data from a variety of sources including OMB’s MAX and Education’s Common Core of Data (CCD).
- To address questions on federal resources used for higher education, we used data from the President’s budget appendix, OMB’s federal credit supplement, and Education.⁴
- To address questions on key measures of K-12 student achievement, we used data from the National Assessment of Educational Progress (NAEP), and the Trends in International Mathematics and Science Study (TIMSS).
- To address questions on key measures of access to higher education, we used data from the FSA data center, and the Integrated Postsecondary Education Data System (IPEDS).
- To address questions about Education’s progress meeting its goals and objectives, we analyzed goals and objectives related to K-12 student achievement and access to higher education as reported in strategic plan and performance reports covering fiscal years 1998 through 2018.

We determined that the data from each of these data sources were sufficiently reliable for the purposes of this report.

³HEA is codified as amended at 20 U.S.C. § 1001 et seq. IDEA is codified as amended at 20 U.S.C. § 1401 et seq. ESEA is codified as amended at 20 U.S.C. § 6301 et seq.

⁴In this report, we use the terms “higher education” or “college” to refer to postsecondary education. In addition, we use the terms “higher education institution,” “colleges,” or “postsecondary institutions,” to refer to “institutions of higher education” as defined in 20 U.S.C. § 1002. These include both 2-year and 4-year colleges.

We conducted this performance audit from July 2017 to February 2018 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. Further details about our objectives, scope, and methodology are provided in appendix I.

Role of the Federal Government in Education

What were Education’s original mission and key responsibilities and how have they changed since its creation?

According to Education’s website, Education’s current mission statement is “to promote student achievement and preparation for global competitiveness by fostering educational excellence and ensuring equal access.” The website also states that Education’s mission is comprised of the seven statutory purposes described in the Department of Education Organization Act.⁵ (See text box.)

⁵Department of Education Organization Act, Pub. L. No. 96-88, § 102, 93 Stat. 668, 670 (1979). While the Department of Education Organization Act did not use the term “mission” in describing the purpose of the act, the Department of Education’s website lists the same seven purposes indicated in the Act to describe its mission (see <https://www2.ed.gov/about/overview/mission/mission.html>).

Department of Education Organization Act, Section 102, Purpose

The Congress declares that the establishment of a Department of Education is in the public interest, will promote the general welfare of the United States, will help ensure that education issues receive proper treatment at the Federal level, and will enable the Federal Government to coordinate its education activities more effectively. Therefore, the purposes of this Act are—

1. to strengthen the Federal commitment to ensuring access to equal educational opportunity for every individual;
2. to supplement and complement the efforts of States, the local school systems and other instrumentalities of the States, the private sector, public and private educational institutions, public and private nonprofit educational research institutions, community-based organizations, parents, and students to improve the quality of education;
3. to encourage the increased involvement of the public, parents, and students in Federal education programs;
4. to promote improvements in the quality and usefulness of education through federally supported research, evaluation, and sharing of information;
5. to improve the coordination of Federal education programs;
6. to improve the management and efficiency of Federal education activities, especially with respect to the process, procedures, and administrative structures for the dispersal of Federal funds, as well as the reduction of unnecessary and duplicative burdens and constraints, including unnecessary paperwork, on the recipients of Federal funds; and
7. to increase the accountability of Federal education programs to the President, the Congress, and the public.

Source: Section 102 of the Department of Education Organization Act, codified at 20 U.S.C. § 3402. | GAO-18-154

To carry out its stated purposes, the Act also established certain offices, including OPE, OSERS, and OESE.⁶ FSA was established by the Higher Education Amendments of 1998.⁷ While Education’s statutory purposes have not changed in nearly 40 years, the responsibilities of these offices have changed over time (see table 1).⁸

⁶For more information on the creation of offices within Education see [GAO-17-669R](#).

⁷Higher Education Amendments of 1998, Pub. L. No. 105-244, § 141, 112 Stat. 1581, 1604-1611. Federal Student Aid is named in statute as the “Performance-based organization for the delivery of Federal student financial assistance.”

⁸Under the Department of Education Organization Act, the Secretary may delegate any function to officers and employees of the Department as the Secretary may designate, and may authorize such successive redelegations of functions within the Department as may be necessary or appropriate. 20 U.S.C. § 3472.

Table 1: Summary of Responsibilities of Selected U.S. Department of Education (Education) Offices

Office	Summary of responsibilities in authorizing act	Description on Education's website ^a
Office of Postsecondary Education (OPE)	<ul style="list-style-type: none"> Administer functions affecting public and private postsecondary education, as delegated by the Secretary. Serve as the principal advisor to the Secretary on matters affecting public and private postsecondary education. 	<ul style="list-style-type: none"> Provide financial assistance to eligible students enrolled in postsecondary educational institutions. Improve postsecondary educational facilities and programs through the provision of financial support to eligible institutions. Recruit and prepare disadvantaged students for the successful completion of postsecondary educational programs. Promote the domestic study of foreign languages and international affairs and support international educational research and exchange activities.
Federal Student Aid (FSA)	<ul style="list-style-type: none"> Improve service in student financial assistance programs, including making them more understandable. Reduce the costs of administering FSA programs. Increase the accountability of officials administering FSA programs. Provide greater flexibility in the management of FSA programs. Integrate the information systems supporting FSA programs. Implement an open, common, integrated system for the delivery of student financial assistance. Develop and maintain a financial assistance system that contains complete, accurate, and timely data to ensure program integrity. 	<ul style="list-style-type: none"> Provide financial assistance to eligible students enrolled in postsecondary educational institutions. Deliver grants, loans, and work-study assistance to nearly 12.9 million students through approximately 6,100 postsecondary institutions.
Office of Special Education and Rehabilitative Services (OSERS)	<ul style="list-style-type: none"> Perform all functions, transferred to the Secretary from the Secretary of Health, Education, and Welfare under specified federal laws relating to the education and training of students with disabilities. 	<ul style="list-style-type: none"> Meet the needs and develop the full potential of children with disabilities through the provision of special educational programs and services. Increase knowledge about, foster innovation in, and improve the delivery of services for persons with disabilities through the performance of special education research and demonstration activities. Disseminate information about services, programs, and laws affecting persons with disabilities.

Office	Summary of responsibilities in authorizing act	Description on Education's website ^a
Office of Elementary and Secondary Education (OESE)	<ul style="list-style-type: none"> Administer functions affecting public and private elementary and secondary education, as delegated by the Secretary. 	<ul style="list-style-type: none"> Assist state and local educational agencies to improve the achievement of preschool, elementary, and secondary school students. Assure equal access to services leading to improved achievement for all children, particularly those who are from low-income families, have limited English proficiency, are Native American, live in rural areas, and are children of migrant workers. Provide financial assistance to States to assist with comprehensive education reform efforts at State, local district, and school levels. Assist States and local school districts in improving the health, social, emotional, and cognitive outcomes for all children, especially children with high needs, from birth through third grade so that more children enter kindergarten ready to succeed in school and continue on track to be college and career ready. Assist States and local school districts turn around the lowest performing schools. Assist elementary and secondary teachers in improving the effectiveness of their teaching. Strengthen the management capabilities of State educational agency personnel and foster educational improvement at the State and local levels. Provide financial assistance to local educational agencies whose local revenues are affected by Federal activity. Provide financial assistance for drug and violence prevention activities; activities that promote the health and well-being of students in elementary and secondary schools, and institutions of higher education; and school preparedness activities. Assist State and local educational agencies in the process of school desegregation.

Source: GAO analysis of the Department of Education Organization Act, Pub. L. No. 96-88, § 102, 93 Stat. 668, 674 (1979); the Higher Education Amendments of 1998, Pub. L. No. 105-244, § 141, 112 Stat. 1581, 1604-1611; and https://www2.ed.gov/about/offices/list/om/fs_po/ope/intro.html, https://www2.ed.gov/about/offices/list/om/fs_po/fsa/intro.html, https://www2.ed.gov/about/offices/list/om/fs_po/osers/intro.html, and <https://www2.ed.gov/about/offices/list/oese/index.html?src=oc>. | GAO-18-154

^aThese descriptions of the office's responsibilities were obtained from pages on Education's website that provide functional overviews of each office. Additional information on the activities of each office can be found at their respective homepages at

<https://www2.ed.gov/about/offices/list/ope/index.html?src=oc>,
<https://www2.ed.gov/about/offices/list/fsa/index.html>,
<https://www2.ed.gov/about/offices/list/osers/index.html?src=oc>, and
<https://ed.gov/about/offices/list/oese/index.html?src=oc>.

Since 1980, changes in appropriations levels and program activities have affected the roles and responsibilities of OPE, FSA, OSERS, and OESE. For example, in 2011, we reported that Education had faced expanded responsibilities and evolving program priorities that challenged the department to allocate resources strategically to balance new duties with

ongoing ones.⁹ Specifically, we reported that Education’s annual budget had increased by nearly 36 percent in real terms between fiscal years 2000 and 2008, and that the number of grants and loans administered by Education had grown. More recently, in 2016, we reported that the Direct Loan program had grown dramatically, with over six times as many outstanding loans as there were in 2007.¹⁰

Federal laws have also prompted changes in some Education offices. For example, two laws enacted in 2008 and 2009 added four new programs in OPE.¹¹ More recently, the Every Student Succeeds Act (ESSA) was enacted in 2015, reauthorizing the ESEA. ESSA makes various changes to the ESEA, such as modifying accountability requirements for schools and districts in the Title I-A program.¹²

How much have four key Education offices spent since 1980?

Nearly every year since Education’s creation, the four key offices we reviewed have accounted for over 90 percent of Education’s spending, ranging from \$23.2 billion in 1980 to \$93.8 billion in 2016, according to OMB.¹³ (See fig. 1.) Historically, OPE and FSA have accounted for the majority of this spending, except in fiscal years 2009 and 2010, when spending peaked for OSERS and OESE after the enactment of the American Recovery and Reinvestment Act of 2009 (ARRA), which

⁹GAO, *Opportunities to Reduce Potential Duplication in Federal Teacher Quality Programs*, [GAO-11-510T](#) (Washington, D.C.: Apr. 13, 2011) and *Department of Education: Improved Oversight and Controls Could Help Education Better Respond to Evolving Priorities*, [GAO-11-194](#) (Washington, D.C.: Feb. 10, 2011).

¹⁰GAO, *Federal Student Loans: Education Could Improve Direct Loan Program Customer Service and Oversight*, [GAO-16-523](#) (Washington D.C.: May 16, 2016).

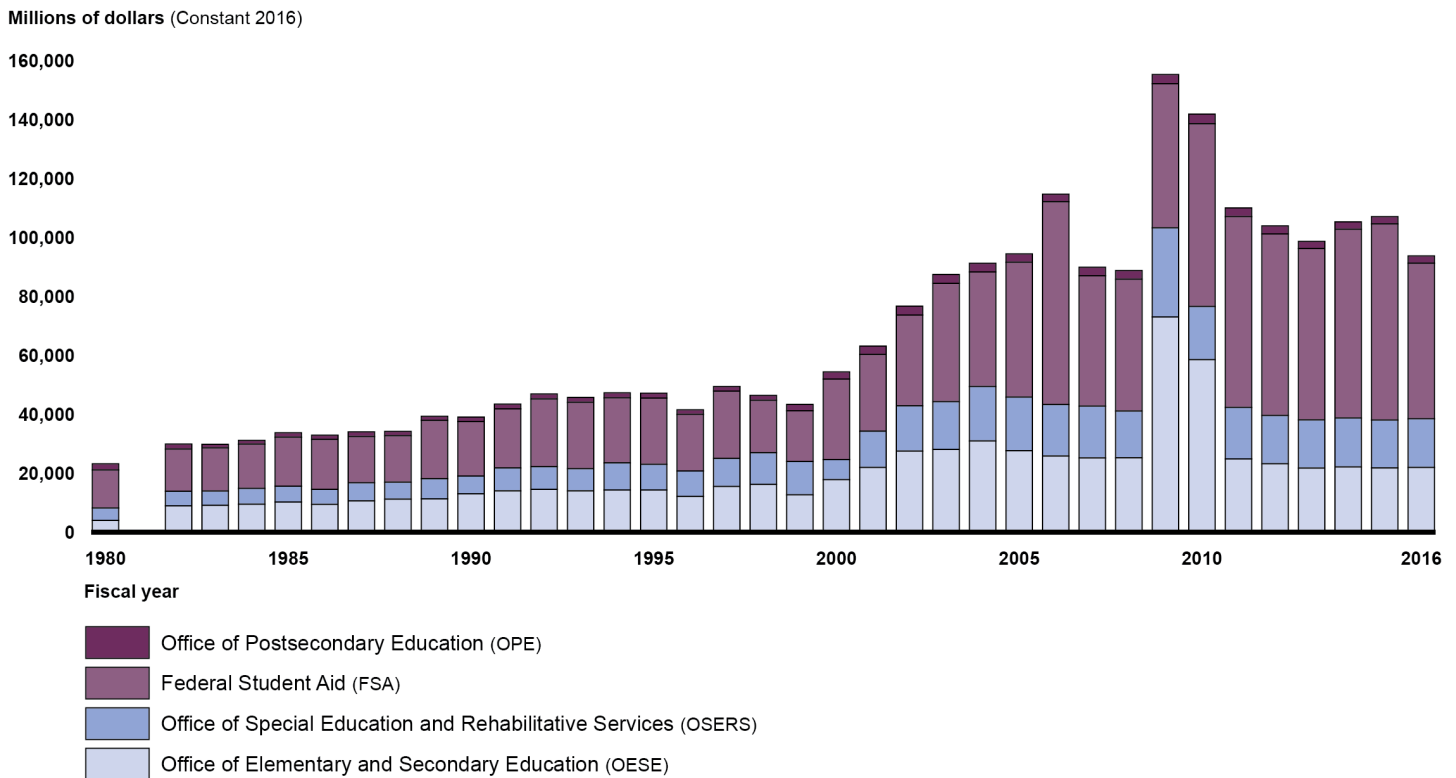
¹¹The four programs are the Erma Byrd Scholarship Program, authorized by the Consolidated Appropriations Act, 2010, Pub. L. No. 111-117, 123 Stat. 3034 (2009), and the Promoting Post Baccalaureate Opportunities For Hispanic Americans Program, the Master’s Degree Programs at Predominantly Black Institutions Program, and the Master’s Degree Programs at Predominantly Black Institutions Program, authorized by the Higher Education Opportunity Act, Pub. L. No. 110-315, 122 Stat. 3078 (2008).

¹²The Every Student Succeeds Act, Pub. L. No. 114-95, 129 Stat. 1802 (2015). Title I-A, the largest ESEA program, provides grants to local educational agencies to fund educational and related services for low-achieving and other students attending elementary and secondary schools with relatively high concentrations of students from low-income families.

¹³Although FSA was created in 1998, we included accounts from its predecessor organizations in the spending totals for prior years.

increased appropriations for K-12 education programs.¹⁴ Spending by OSERS and OESE returned to prior levels in fiscal years 2010 and 2011 respectively, when the relevant appropriations from ARRA expired. Also, in fiscal year 2006, spending by FSA increased temporarily after the Higher Education Reconciliation Act of 2005 created two need-based grant programs—Academic Competitiveness Grants (ACG) and National Science and Mathematics Access to Retain Talent (SMART) grants for undergraduate students.¹⁵ Program participation was low during the first two years ACG and SMART grants became available, and Education’s authority to make ACG and SMART grants expired at the end of school year 2010-11.

Figure 1: Spending by Four Key Education Offices, Fiscal Years 1980-2016



Source: GAO analysis of data from the Office of Management and Budget. | GAO-18-154

¹⁴American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5, 123 Stat. 115.

¹⁵Higher Education Reconciliation Act of 2005, Pub. L. No. 109-171, § 8003, 120 Stat. 4, 155-58.

Notes: Data are not available for 1981. We use the term “spending” to refer to federal obligations—an obligation is a definite commitment that creates a legal liability for the payment of goods and services ordered or received.

FSA was established in 1998 and began operating in fiscal year 1999. Prior to the establishment of FSA, spending for federal student aid programs was associated with other offices within the department.

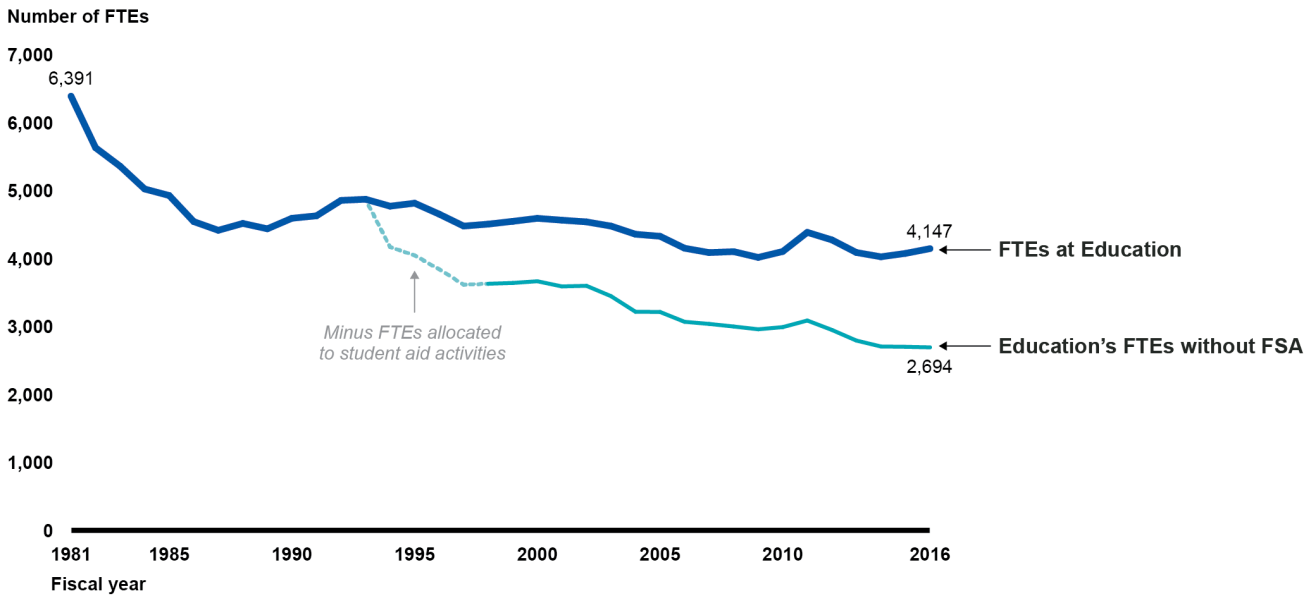
How has Education’s staffing changed from its creation to present?

Staffing levels at Education have declined overall from a high of 6,391 FTEs in fiscal year 1981 to 4,147 FTEs in fiscal year 2016 (see fig. 2). More specifically, staffing levels decreased by 23 percent from fiscal years 1981 through 1985, and then declined more gradually, decreasing by 16 percent from fiscal years 1985 through 2016. The fiscal year 2010 increases in staff coincided with increased appropriations Education received through ARRA. As of fiscal year 2016, Education was close to its lowest overall staffing level, which occurred in fiscal year 2009 with 4,018 FTEs.

While overall staffing levels have decreased at Education over time, FSA, which manages the federal student loan portfolio, has generally increased its FTEs. FSA had approximately one-third of Education’s total FTEs in fiscal year 2016. The timing of this increase was corresponded with key changes in federal student loan programs.¹⁶ As shown in figure 2, if staffing levels for FSA, and for staff allocated to student aid activities prior to the creation of FSA, are removed, the trend in Education’s overall staffing levels shows a greater decrease over time. Total FTEs for FSA have ranged from 907 FTEs when it was first operating in fiscal year 1999 to its highest level in fiscal year 2016, at 1,453 FTEs.

¹⁶For example, changes in federal student loan programs led numerous schools to transition from the Federal Family Education Loan (FFEL) Program, under which most federal student loans were originated by private lenders, to the Direct Loan Program. Also, the SAFRA Act terminated the authority to make or insure new loans under the FFEL Program after June 30, 2010.

Figure 2: Trends in the Department of Education’s Full-Time Equivalent (FTE) Staffing Levels, Fiscal Years 1981-2016



Source: GAO analysis of data from the Office of Management and Budget. | GAO-18-154

Notes: FTE information was not available in 1980, the first fiscal year in which The Department of Education (Education) was operating.

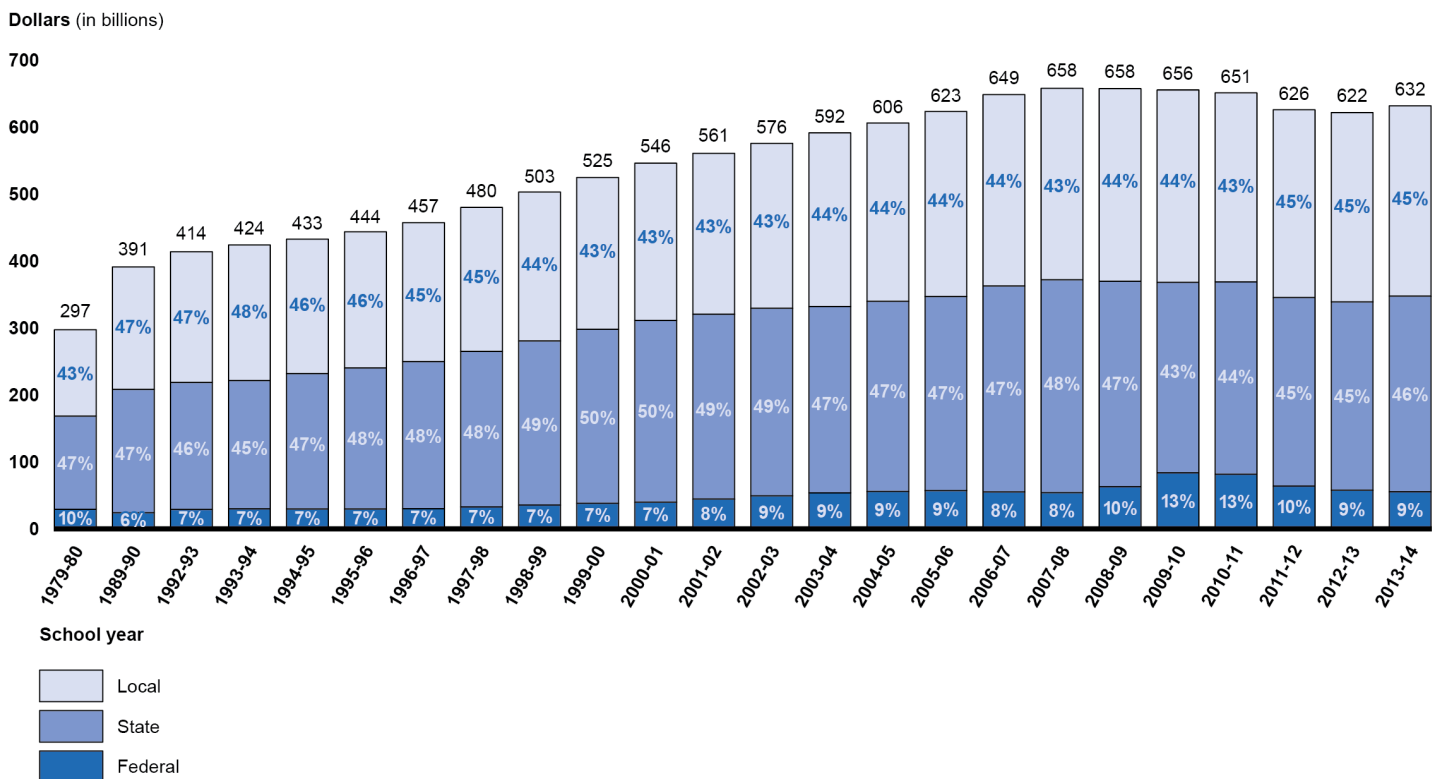
Federal Student Aid (FSA) was established in 1998 and began operating in fiscal year 1999. Prior to the establishment of FSA in 1998, FTEs for administering federal student aid programs were associated with other offices within the department and first itemized in the Office of Management and Budget MAX database in 1994.

Federal, State, and Local Resources Used for K-12 Public Education

How does federal funding for K-12 education compare to state and local funding since Education's creation?

The federal government provides a significantly smaller percentage of funding in K-12 public schools than state and local governments do, according to CCD data.¹⁷ For school years 1979-80 through 2013-14, the federal funding for K-12 public schools accounted for approximately 6 percent to 13 percent of K-12 public schools' total revenue while state and local sources accounted for from 87 percent to 94 percent, roughly equally divided between state and local governments (see fig. 3).

Figure 3: Public Elementary and Secondary School (K-12) Funding by Source of Funds, School Years 1979-2014



Source: GAO analysis of data from the Common Core of Data. | GAO-18-154

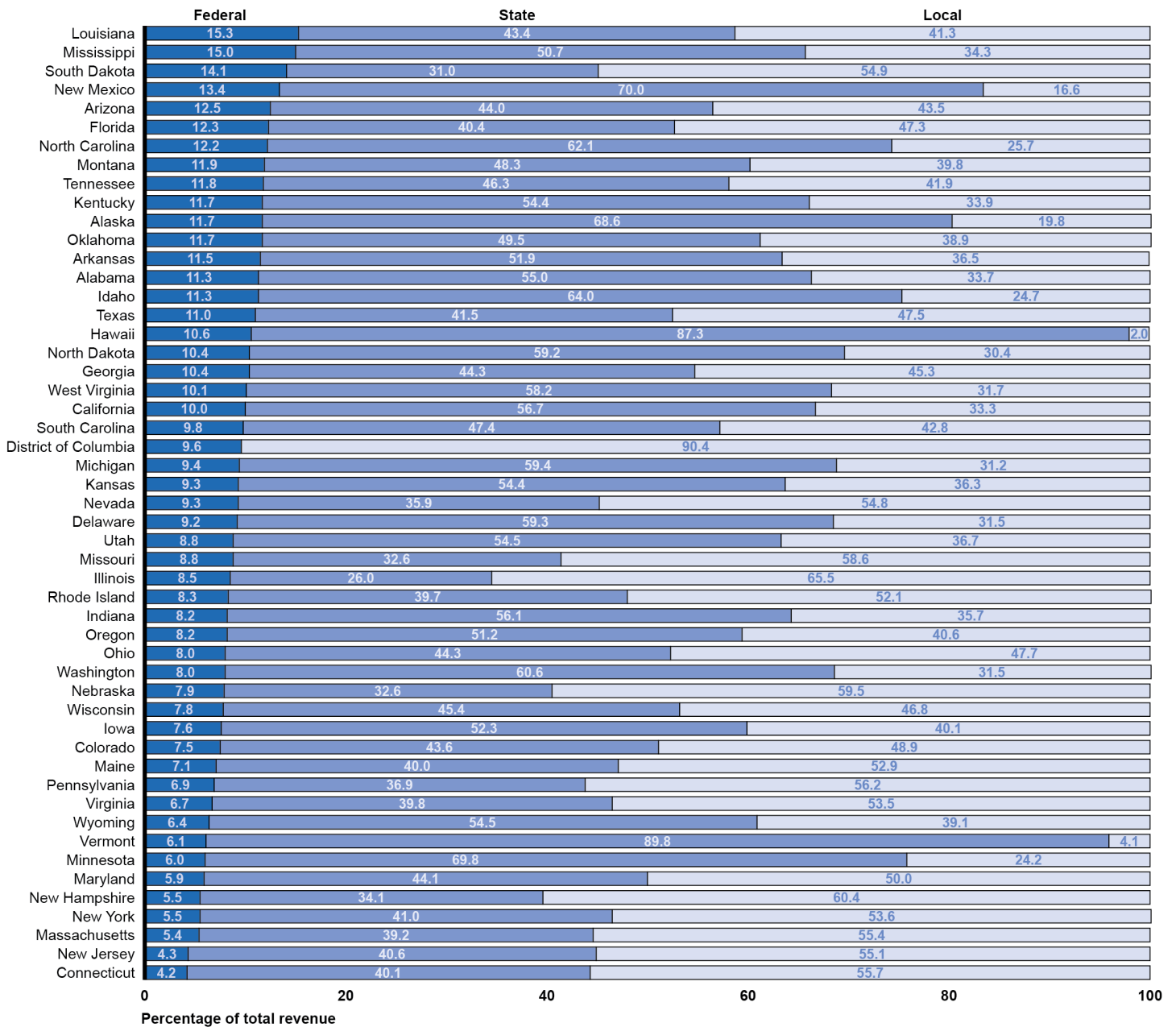
¹⁷In this report, we use the term “funding” to refer to school revenue. In this subsection of this report, for all revenue data describing K-12 resources we relied on CCD data sources. CCD defines “revenue” as additions to assets that do not incur an obligation that must be met at some future date, do not represent exchanges of fixed assets, and are available for expenditure by the local education agencies in the state. Revenues include funds from local, intermediate, state, and federal sources. For more information, see https://nces.ed.gov/ccd/pdf/NCES_2016302.pdf.

Notes: Data are from the Common Core of Data (CCD) as reported in the *Digest of Education Statistics 2015* (December 2016), <https://nces.ed.gov/programs/digest/>.

Based on CCD definitions, funding to schools from local sources includes local property and nonproperty taxes, investments, and activities such as textbook sales, transportation and tuition fees, and food service revenues. Funding from state sources includes revenues from state governments and revenues in lieu of taxes, which are paid to compensate school districts for nontaxable state institutions or facilities within the districts' boundaries. Funding from federal sources includes direct grants-in-aid to schools or agencies, funds distributed through a state or intermediate agency, and revenues in lieu of taxes to compensate a school district for nontaxable federal institutions within the district's boundaries.

Federal funding for K-12 education varies by state. Because states' funding of K-12 public schools varies widely, the percent of total school revenue from the federal government also varies widely by state. For example, in school year 2013-2014, revenue from the federal government accounted for 15.3 percent (approximately \$1.3 billion) of total school revenues in Louisiana, while in New Jersey revenues from the federal government accounted for 4.3 percent (approximately \$1.2 billion) of total school revenues (see fig. 4).

Figure 4: Public Elementary and Secondary School (K-12) Funding by State and Source of Funds, School Year 2013-2014



Source: GAO analysis of data from the Common Core of Data. | GAO-18-154

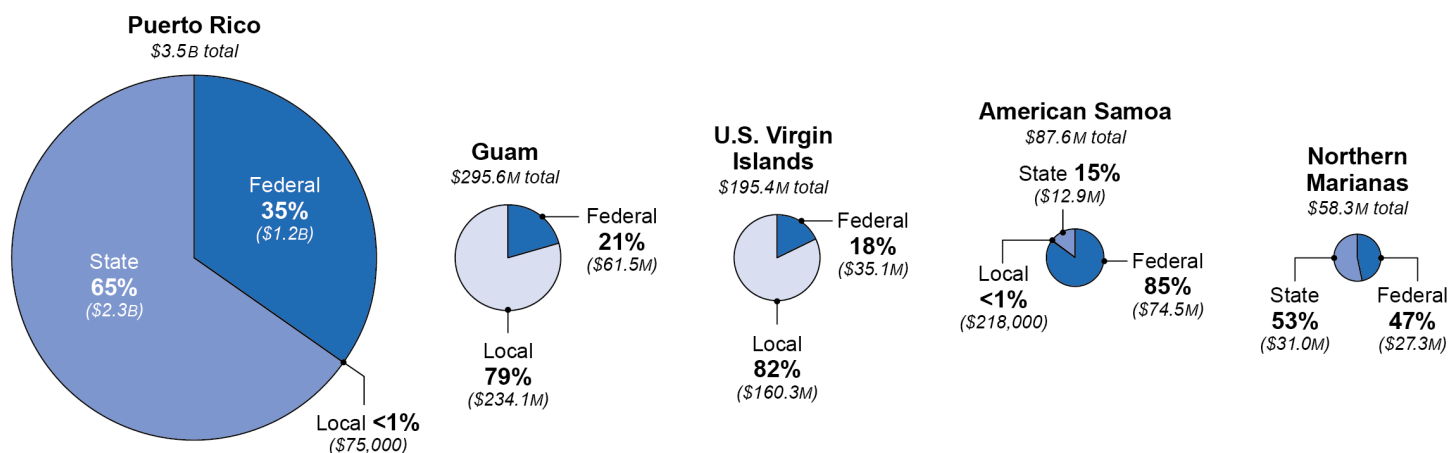
Notes: Data are from the Common Core of Data (CCD) as reported in the *Digest of Education Statistics 2015* (December 2016), <https://nces.ed.gov/programs/digest/>.

Based on CCD definitions, funding to schools from local sources includes revenues from local property and nonproperty taxes, investments, and activities such as textbook sales, transportation

and tuition fees, and food service revenues. Funding from state sources includes revenues from state governments and revenues in lieu of taxes, which are paid to compensate school districts for nontaxable state institutions or facilities within the districts' boundaries. Funding from federal sources includes revenues from direct grants-in-aid to schools or agencies, funds distributed through a state or intermediate agency, and revenues in lieu of taxes to compensate a school district for nontaxable federal institutions within the district's boundaries.

Federal funding for K-12 public education also varies by U.S. territory. For example, in school year 2013-14, the federal share of public school funding ranged from a high of 85 percent (approximately \$74.5 million) in American Samoa to a low of 18 percent (approximately \$35.1 million) in the U.S. Virgin Islands. Puerto Rico received the most federal funds for its K-12 public schools among the five U.S. territories (approximately \$1.2 billion) and its federal share of funding was 35 percent (see fig. 5).

Figure 5: Public Elementary and Secondary School (K-12) Funding by U.S. Territory and Source of Funds, School Year 2013-2014



Source: GAO analysis of data from the Common Core of Data (CCD). | GAO-18-154

Notes: Data are from the Common Core of Data (CCD) as reported in the *Digest of Education Statistics 2015* (December 2016), <https://nces.ed.gov/programs/digest/>.

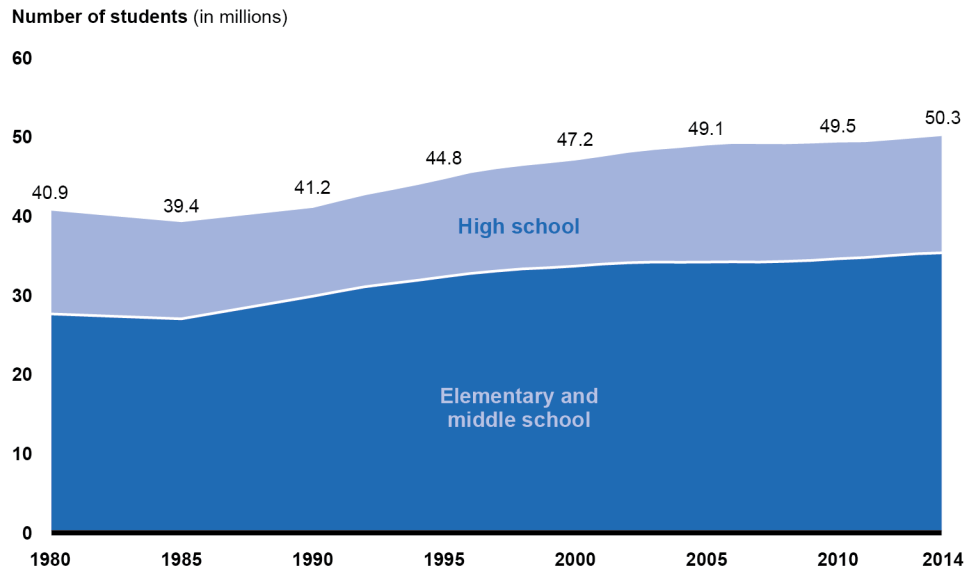
CCD refers to revenues received from the central government of the territory as "state" revenues.

Based on CCD definitions, funding to schools from local sources includes revenues from local property and nonproperty taxes, investments, and activities such as textbook sales, transportation and tuition fees, and food service revenues. Funding from state sources includes revenues from state governments and revenues in lieu of taxes, which are paid to compensate school districts for nontaxable state institutions or facilities within the districts' boundaries. Funding from federal sources includes revenues from direct grants-in-aid to schools or agencies, funds distributed through a state or intermediate agency, and revenues in lieu of taxes to compensate a school district for nontaxable federal institutions within the district's boundaries.

How many students have been in the pre-K through 12 system since 1980?

From 1980 through 2014, the most recent year for which final data are available, annual public pre-K through 12 enrollment increased from approximately 41 million to over 50 million students (see fig. 6).

Figure 6: Public Elementary and Secondary School (pre-K through 12) Annual Student Enrollment in the United States, 1980-2014



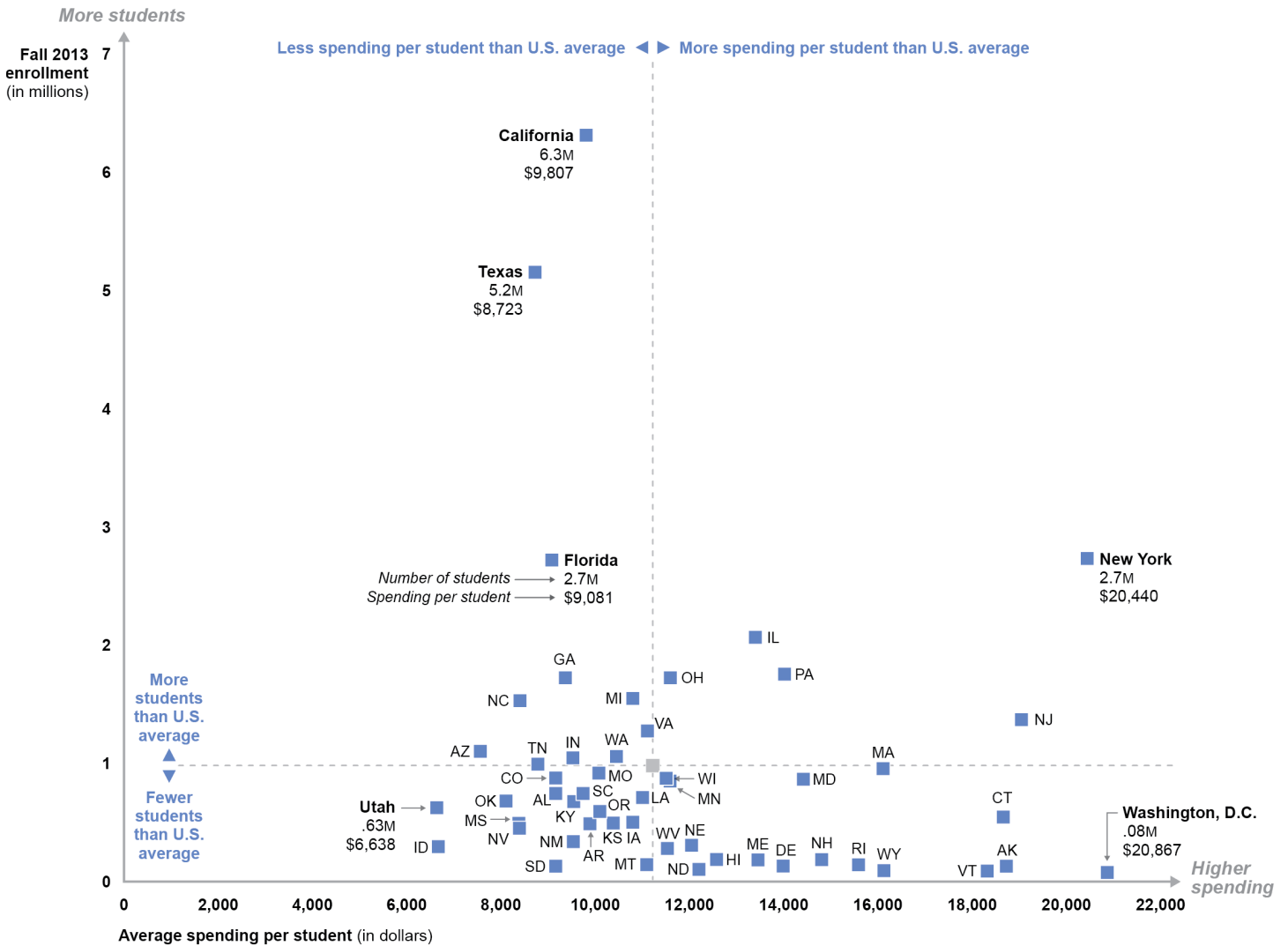
Source: GAO analysis of data from the Common Core of Data (CCD). | GAO-18-154

Notes: Data are from the Common Core of Data (CCD) as reported in the *Digest of Education Statistics 2015* (December 2016), <https://nces.ed.gov/programs/digest/>.

The CCD did not provide enrollment data for years 1981 through 1984 or 1986 through 1989 and we did not include the CCD projections of student enrollment for 2015-2017.

While overall public school enrollment has increased over time, changes in enrollment have varied by state. From fall 2000 to fall 2014, for example, public school enrollment in pre-K through 12 increased in 32 states and the District of Columbia and decreased in 18 states. Per student expenditures vary significantly among states, according to CCD data (see fig. 7). In school year 2013-14, average expenditure per student in K-12 ranged from \$6,638 in Utah to \$20,867 in the District of Columbia.

Figure 7: Public Elementary and Secondary School (K-12) State Expenditures per Student, School Year 2013-14



Source: GAO analysis of data from the Common Core of Data. | GAO-18-154

Note: Data are from the Common Core of Data (CCD) as reported in the *Digest of Education Statistics 2015* (December 2016), <https://nces.ed.gov/programs/digest/>.

Federal Spending for Higher Education

How much has Education spent on OPE and FSA programs?

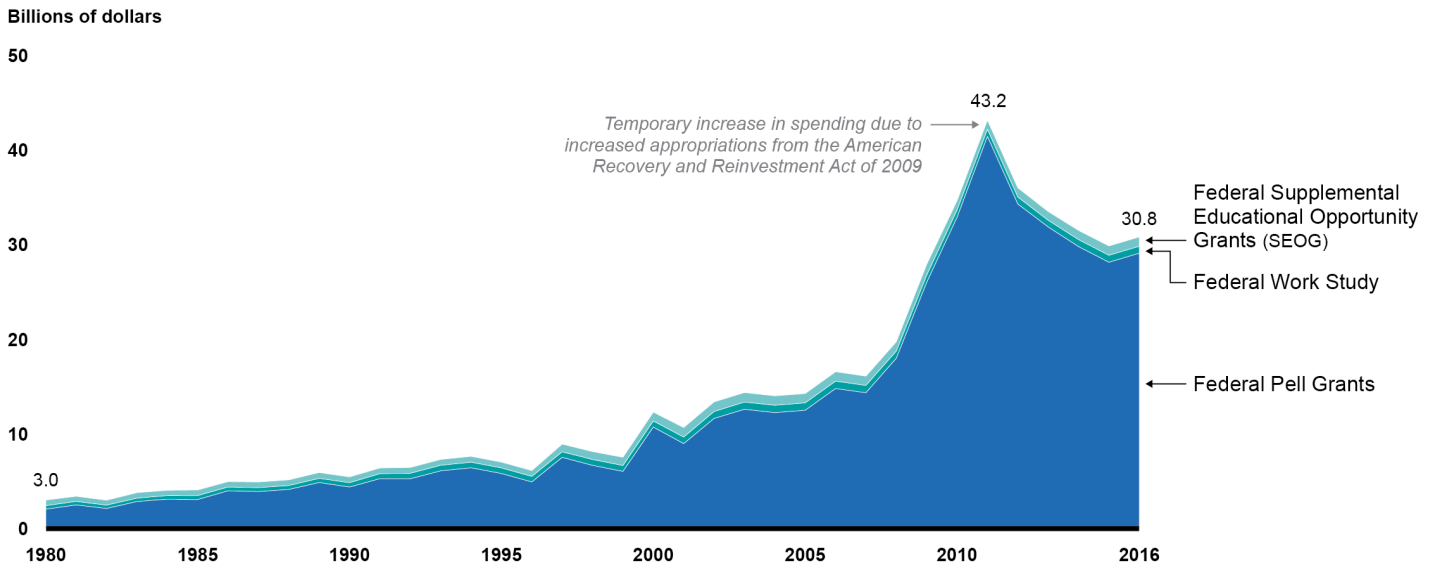
Since Education's creation, spending for higher education has ranged from \$15 billion to \$71 billion, with OPE and FSA accounting for the majority of combined spending by OPE, FSA, OSERS, and OESE, as noted earlier (see fig. 1), and accounting for almost 50 percent of Education's total spending.¹⁸

How much has Education spent on higher education federal grant and work study programs?

From fiscal years 1980 through 2016, Education spent more than \$500 billion for Pell Grants, Supplemental Educational Opportunity grants and, and Federal Work Study—three of Education's key federal grant and work study programs—with 90 percent of these funds spent on Pell Grants. (See fig. 8.)

¹⁸Other federal agencies, such as the Department of Veterans Affairs and the Department of Defense, also have programs that provide funds for postsecondary education, and the federal government provides financial assistance for postsecondary education in the form of tax benefits, although these programs were out of the scope of our review. See GAO, *VA Education Benefits: VA Should Strengthen Its Efforts to Help Veterans Make Informed Education Decisions*, [GAO-14-324](#) (Washington, D.C.: May 13, 2014); *Higher Education: Improved Tax Information Could Help Families Pay for College*, [GAO-12-560](#) (Washington, D.C.: May 18, 2012); and *DOD Education Benefits: Increased Oversight of Tuition Assistance Program is Needed*, [GAO-11-300](#) (Washington, D.C.: March 1, 2011).

Figure 8: Spending on Three Key Higher Education Federal Grant and Work Study Programs, Fiscal Years 1980-2016



Source: GAO analysis of data from the Office of Management and Budget. | GAO-18-154

Notes: Data are from the Office of Management and Budget as reported in the *President's Budget Appendix* (2017).

We use the term "spending" to refer to federal obligations—an obligation is a definite commitment that creates a legal liability for the payment of goods and services ordered or received.

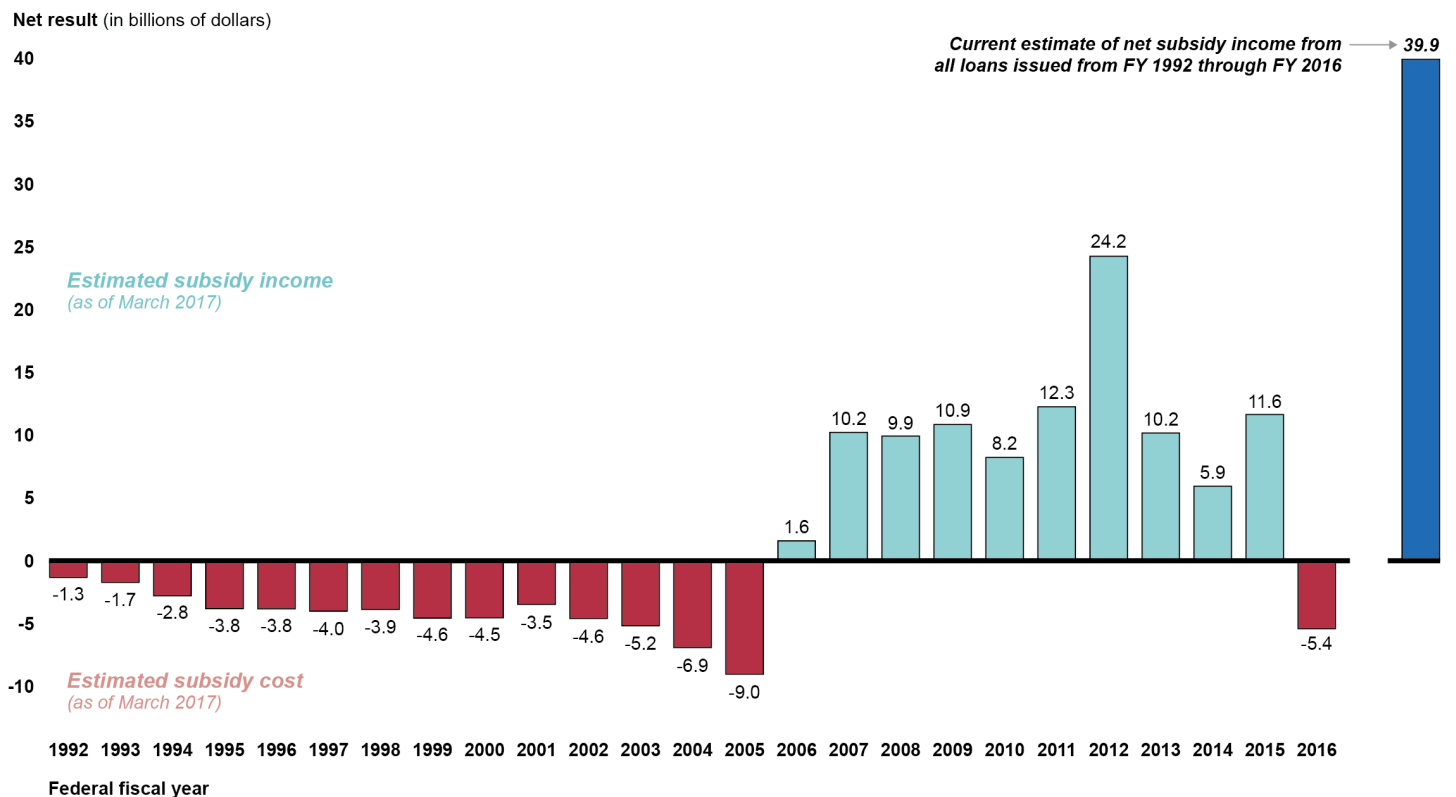
How much has Education spent on student loans?

For federal student loans issued or guaranteed by Education from 1992 through 2016, OMB currently estimates that the federal government will generate a net subsidy income of approximately \$40 billion (see fig. 9).¹⁹ The Federal Credit Reform Act of 1990 requires agencies to estimate the cost to the government of extending or guaranteeing credit, with periodic (generally annual) re-estimates. This cost is known as a "subsidy cost,"

¹⁹Prior to the enactment of the Federal Credit Reform Act of 1990 (FCRA), credit programs—like most other federal programs—were recorded in budgetary accounts on a cash basis (the expected amount of cash paid out minus the cash received in a given year). Because a loan guarantee does not require a cash outlay at the time the guarantee is issued, guarantees initially appeared to be of no cost to the federal budget; conversely, because the entire amount of a direct loan is disbursed and recognized as a budget cost when the loan is made, the cost of direct loans was recorded similar to that of grants in the federal budget. This budgetary treatment created an incentive to structure programs as guarantees, rather than as direct loans. FCRA requires agencies to estimate the cost to the government of extending or guaranteeing credit, which puts direct loans and loan guarantees on an equal footing in terms of cost in the federal budget and permits the costs of credit programs to be compared with each other and with the costs of noncredit programs. The Federal Credit Reform Act of 1990, Pub. L. No. 101-508, Title XIII, Subtitle B, § 13201, 104 Stat 1388, 1388–610.

and equals the net present value of estimated cash flows from the government (e.g., loan disbursements) minus estimated cash flows to the government (e.g., loan principal repayments, interest payments, and fees), over the life of the loan and excluding administrative costs.²⁰ Subsidy costs are re-estimated and updated annually to reflect actual loan performance over the prior year, and any updated assumptions about future loan performance. Education annually reestimates subsidy costs for each loan cohort (the group of loans made in a particular fiscal year) until all loans in the cohort have been repaid, which may take decades. Reestimates may result in increases or decreases in subsidy cost estimates.

Figure 9: Current Estimated Subsidy Income and Costs of Federal Student Loans Issued from Fiscal Year (FY) 1992 through 2016, as of the President’s FY 2018 Budget Request



Source: GAO analysis of data from the Office of Management and Budget. | GAO-18-154

²⁰We use the term “subsidy income” to describe a positive “subsidy cost.”

Notes: Data are from the Office of Management and Budget as reported in the *Federal Credit Supplement, Fiscal Year 2018* (May 2017).

Loan volume is estimated separately for each group of loans made in a particular fiscal year—referred to as a loan cohort. The volume of loans issued under the Direct Loan program expanded dramatically after the SAFRA Act terminated the authority to make or insure new Federal Family Education Loans after June 30, 2010.

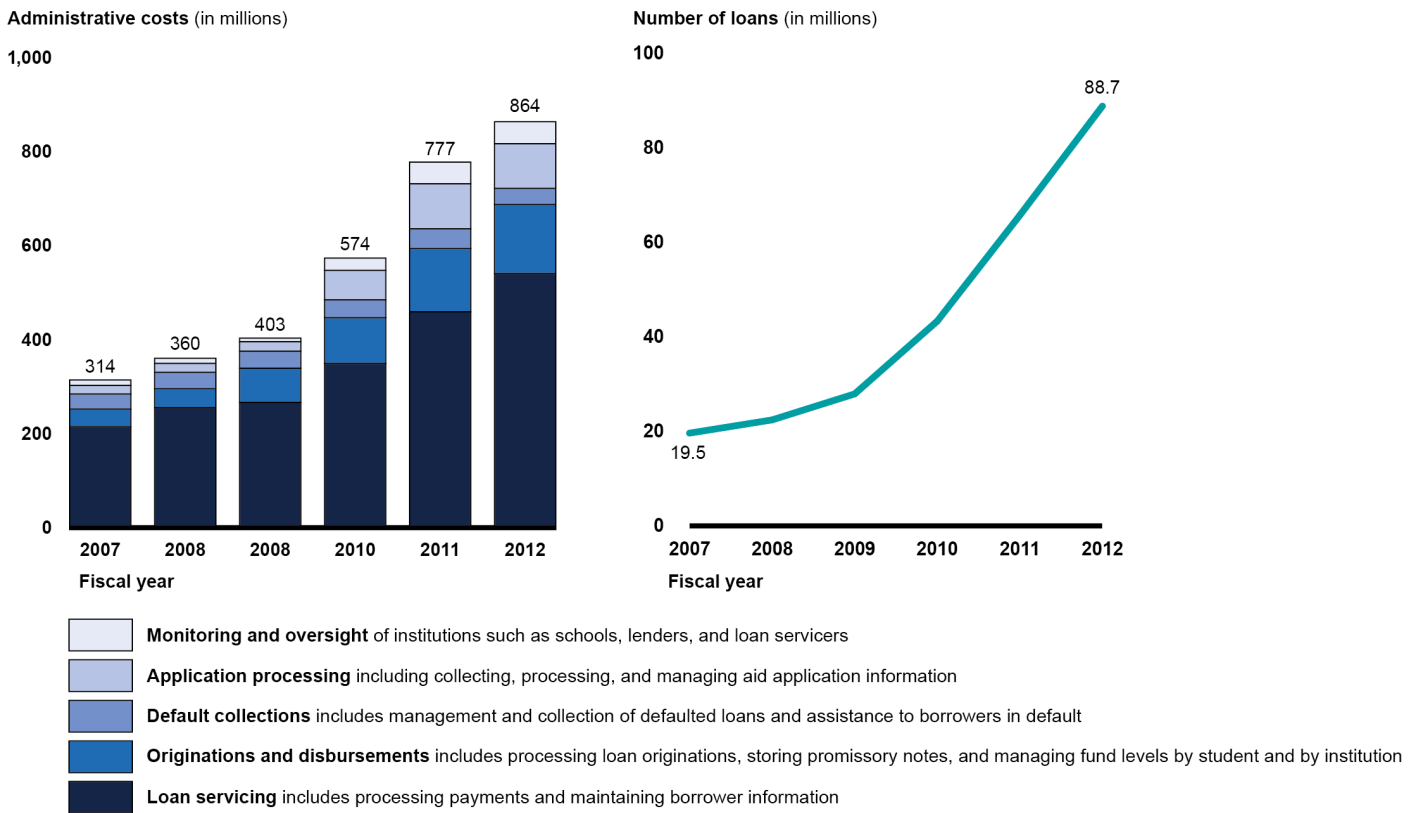
What are the administrative costs for student loan management?

As we reported in 2014, Direct Loan administrative costs rose from \$314 million to \$864 million—a 175 percent increase—from fiscal year 2007 through fiscal year 2012, according to Education.²¹ The growth in administrative costs was associated with expansion in the volume of Direct Loans issued by the government after the SAFRA Act terminated Education’s authority to make or insure new loans under the Federal Family Education Loan (FFEL) program after June 30, 2010.²² While total administrative costs increased over this time period, costs per borrower and other unit costs remained steady or declined. Rising loan servicing costs represented the greatest portion of that increase (over \$300 million or 152 percent) during that time period (see fig. 10).

²¹[GAO-14-234](#).

²²The SAFRA Act, Pub. L. No. 111-152, 124 Stat. 1029, 1071-81 (2010). Under the FFEL program, private lenders made and administered student loans that were insured against loss by the federal government.

Figure 10: Education’s Direct Loan Program Administrative Costs by Category and Number of Loans, Fiscal Years 2007-2012



Source: GAO analysis of data from the Department of Education (Education). | GAO-18-154

Notes: All administrative costs are full costs generated by Education’s Activity Based Costing model for the Direct Loan program; for more information see GAO, *VA Education Benefits: VA Should Strengthen Its Efforts to Help Veterans Make Informed Education Decisions*, [GAO-14-324](#) (Washington, D.C.: May 13, 2014).

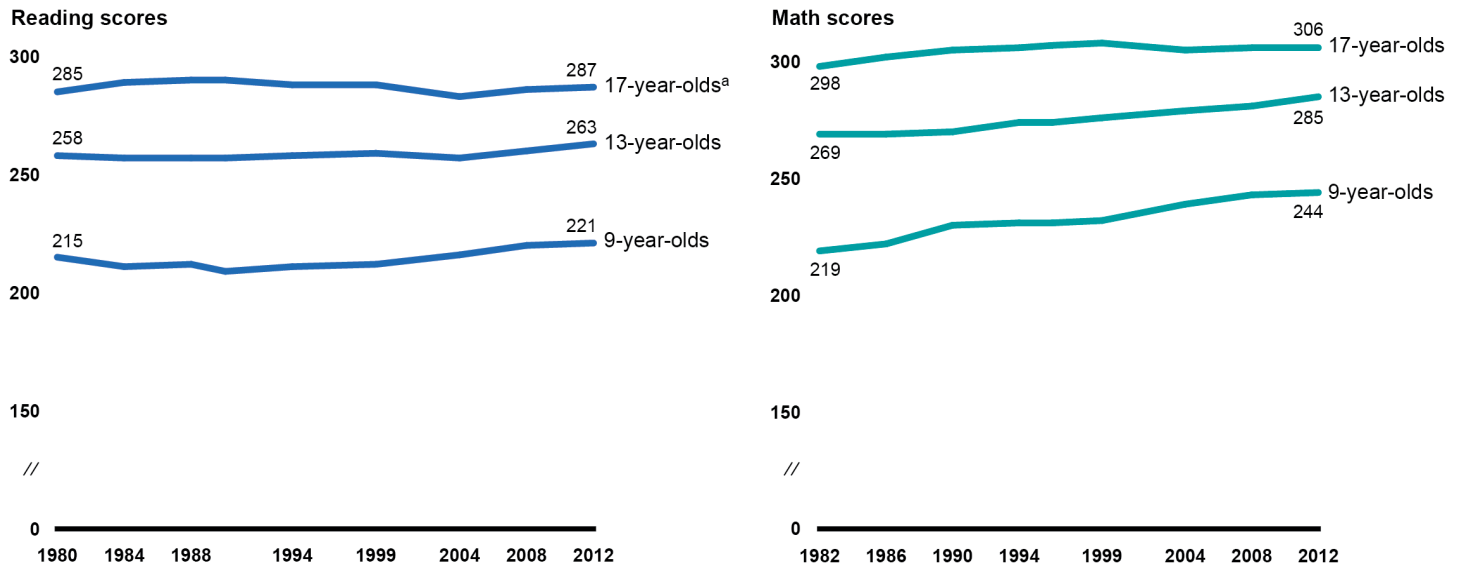
Administrative costs for the Federal Family Education Loan (FFEL) program are generally borne by private lenders and not included in this analysis; for more information see GAO, *Student Loan Programs: As Federal Costs of Loan Consolidation Rise, Other Options Should Be Examined*, [GAO-04-101](#) (Washington, D.C.: October 31, 2003).

Key Measures of K-12 Student Achievement

What are some key trends in K-12 student achievement, including those for subpopulations of students, as measured by NAEP?

From 1980 through 2012, NAEP reading and mathematics scores for students aged 9, 13, and 17 generally increased (see fig. 11).²³

Figure 11: National Assessment of Educational Progress (NAEP) Long-Term Trend Assessments for 9-, 13-, and 17-Year-Old Students' Achievement in Reading (1980-2012) and Mathematics (1982-2012)



Source: GAO analysis of data from NAEP. | GAO-18-154

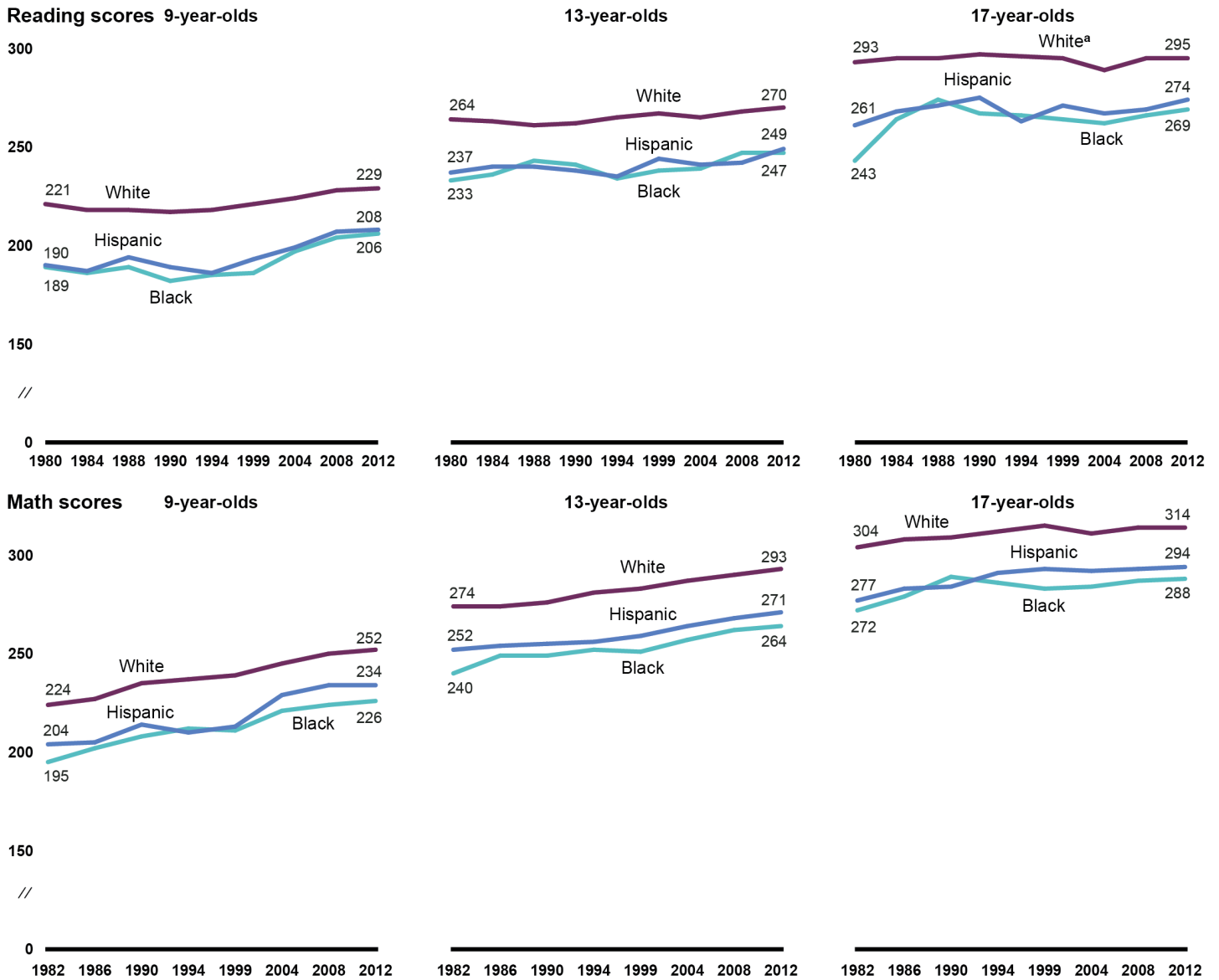
Note: Data are from NAEP as reported in *The Nation's Report Card: Trends in Academic Progress 2012* (June 2013).

²³The National Assessment of Educational Progress (NAEP) is the largest nationally representative and continuing assessment of what America's students know and can do in various subject areas. NAEP is administered by the National Center for Education Statistics within the U.S. Department of Education. The National Assessment Governing Board oversees and sets policy for NAEP. For more information see <https://nces.ed.gov/nationsreportcard/about/>.

^aThe difference between the 1980 and 2012 reading scores for 17-year-old students was not statistically significant.

In all grade levels, there have been gaps between the reading and mathematics scores of White and Black students and between scores of White and Hispanic students; however, these gaps narrowed between 1980 and 2012 (see fig. 12). While most scores improved for each cohort of students, scores of Black and Hispanic students improved more than those of White students.

Figure 12: National Assessment of Educational Progress (NAEP) Long-Term Trend Assessments for 9-, 13-, and 17-Year-Old Students' Achievement by Race/Ethnicity in Reading (1980-2012) and Mathematics (1982-2012)



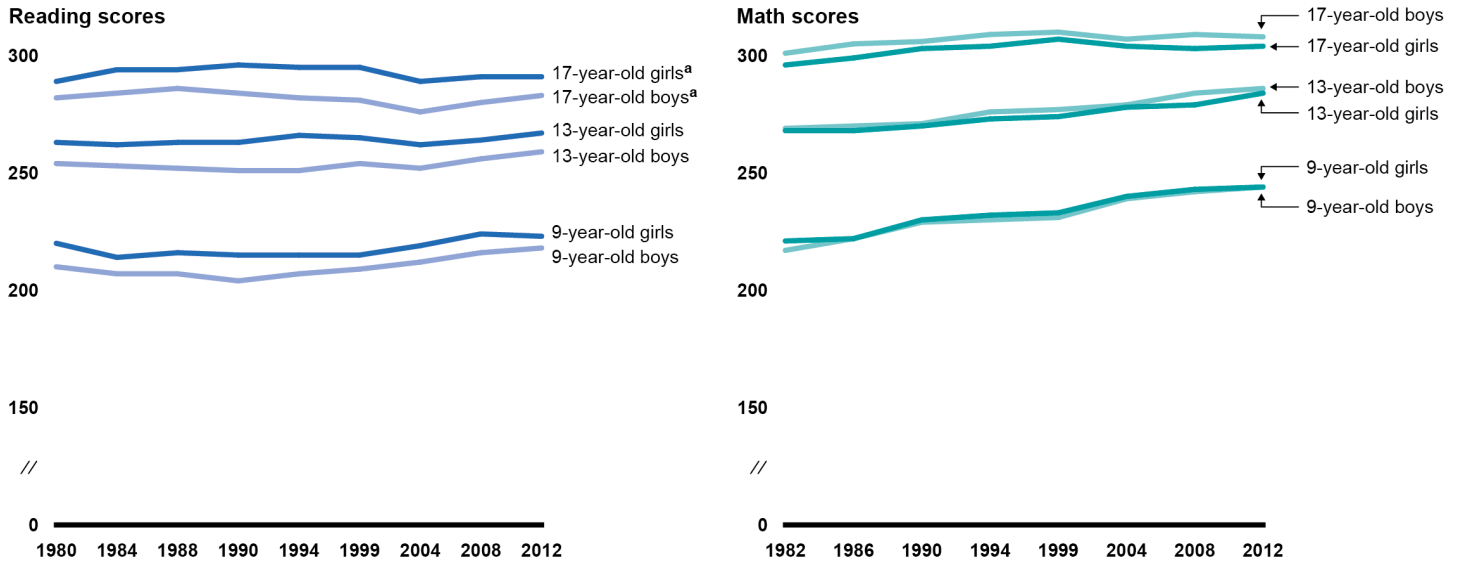
Source: GAO analysis of data from NAEP. | GAO-18-154

Note: Data are from NAEP as reported in *The Nation's Report Card: Trends in Academic Progress 2012* (June 2013).

^aThe difference between the 1980 and 2012 reading scores for White 17-year-old students was not statistically significant.

In reading, scores of female students were higher than those of male students for each age group from 1980 through 2012. In mathematics, the average scores for female and male students at ages 9 and 13 were similar in most years, while at age 17, the average scores were higher for males than females in most years (see fig. 13).

Figure 13: National Assessment of Educational Progress (NAEP) Long-Term Trend Assessments for 9-, 13-, and 17-Year-Old Students' Achievement by Gender in Reading (1980-2012) and Mathematics (1982-2012)



Source: GAO analysis of data from NAEP. | GAO-18-154

Note: Data are from NAEP as reported in *The Nation's Report Card: Trends in Academic Progress 2012* (June 2013).

^aThe difference between the 1980 and 2012 reading scores for both male and female 17-year-old students was not statistically significant.

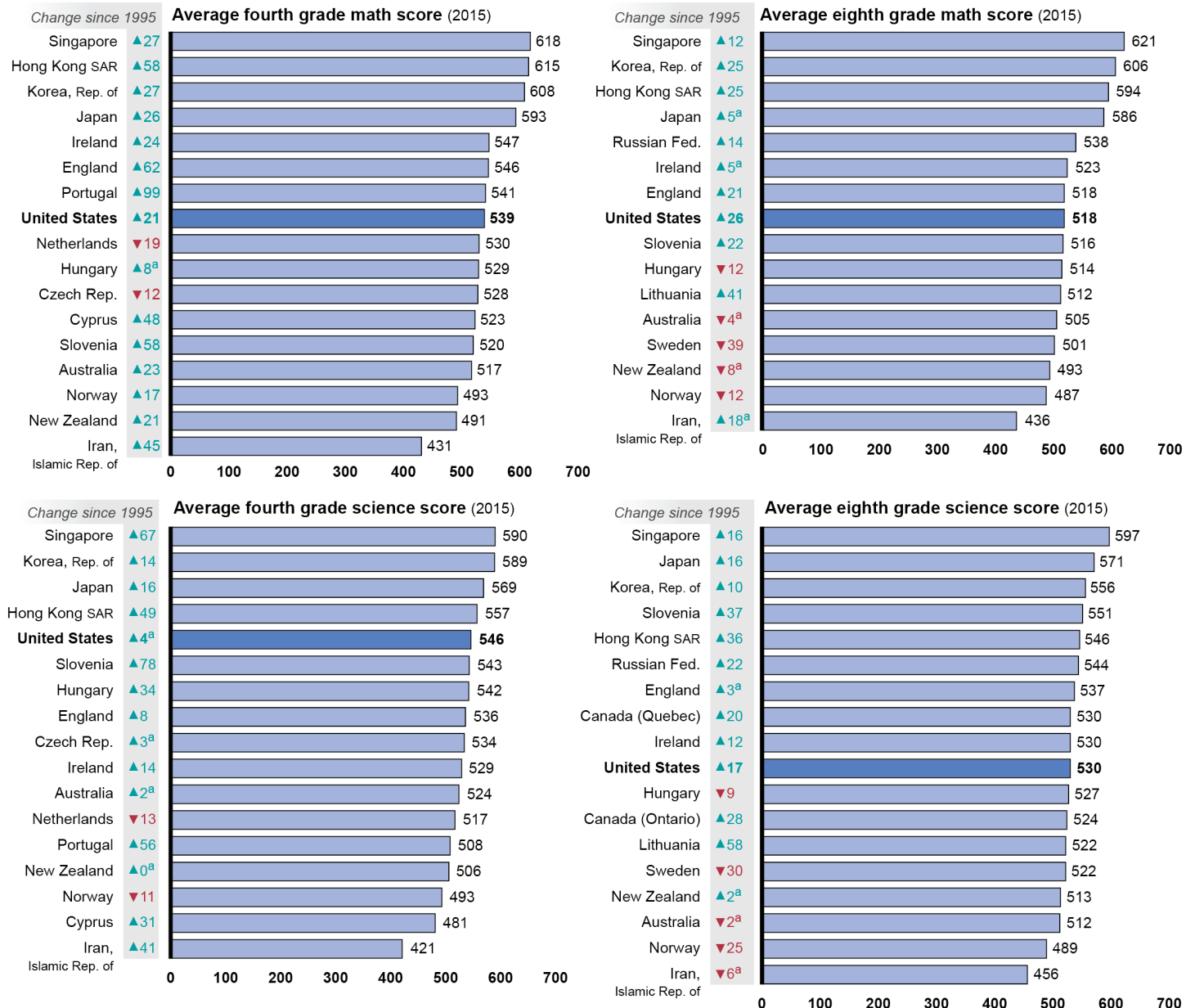
How does achievement of U.S. K-12 students, including subpopulations of students, compare to students in other countries, as measured by TIMSS?

According to a report on the most recent TIMSS data collection in 2015, the scores of U.S. fourth- and eighth-grade students on the TIMSS mathematics assessments have shown long-term improvement, on average, while trends in science achievement have been mixed.²⁴ Figure 14 shows math and science scores from the 2015 TIMSS for fourth- and eighth-grade students from the United States and selected other countries (see fig. 14).

²⁴*Highlights From TIMSS and TIMSS Advanced 2015: Mathematics and Science Achievement of U.S. Students in Grades 4 and 8 and in Advanced Courses at the End of High School in an International Context* (NCES 2017-002). U.S. Department of Education, National Center for Education Statistics. Washington, D.C.

The Trends in International Mathematics and Science Study (TIMSS) measures the mathematics and science achievement of U.S. students and students in other countries every 4 years, in general. TIMSS data have been collected from students in grades 4 and 8 since 1995. TIMSS is sponsored by the International Association for the Evaluation of Educational Achievement and managed in the United States by the National Center for Education located within the U.S. Department of Education's Institute of Education Sciences. For more information see <https://nces.ed.gov/timss/>.

Figure 14: Trends in International Mathematics and Science Study (TIMSS) K-12 Scores by Grade Level, 1995-2015



Source: GAO analysis of data from the International Association for the Evaluation of Educational Achievement, Trends in International Mathematics and Science Study. | GAO-18-154

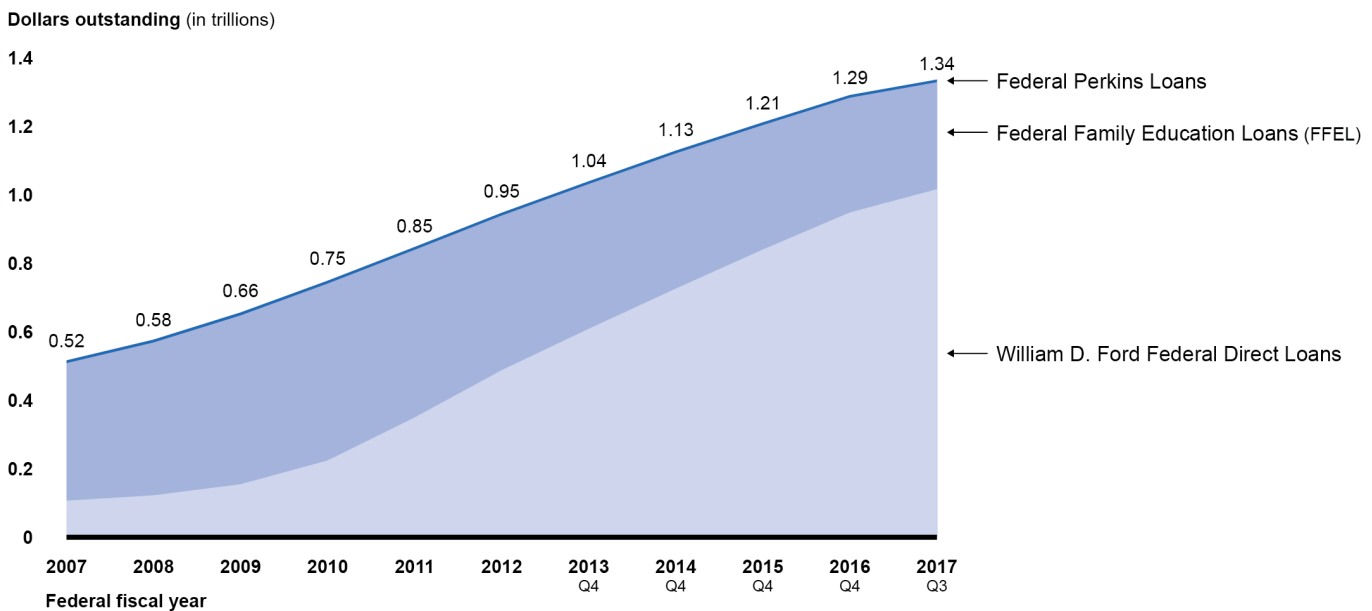
^aThe difference between the 1995 and 2015 scores is not statistically significant.

Key Measures of Access to Higher Education

What is the amount of outstanding student debt from federal student loans?

From fiscal years 2007 through 2017, the amount of outstanding student debt from federal student loans for higher education more than doubled from a little over \$500 billion to \$1.3 trillion (see fig. 15).²⁵

Figure 15: Amount of Outstanding Student Debt from Federal Student Loans for Higher Education, Fiscal Years 2007-2017



Source: GAO analysis of data from the Federal Student Aid Data Center, Federal Student Aid Portfolio. | GAO-18-154

Note: Pursuant to the SAFRA Act no new loans could be issued under the FFEL Program after June 30, 2010. The Department of Education retains a portfolio of previously issued loans. The SAFRA Act, Pub. L. No. 111-152, 124 Stat. 1029, 1071-81 (2010).

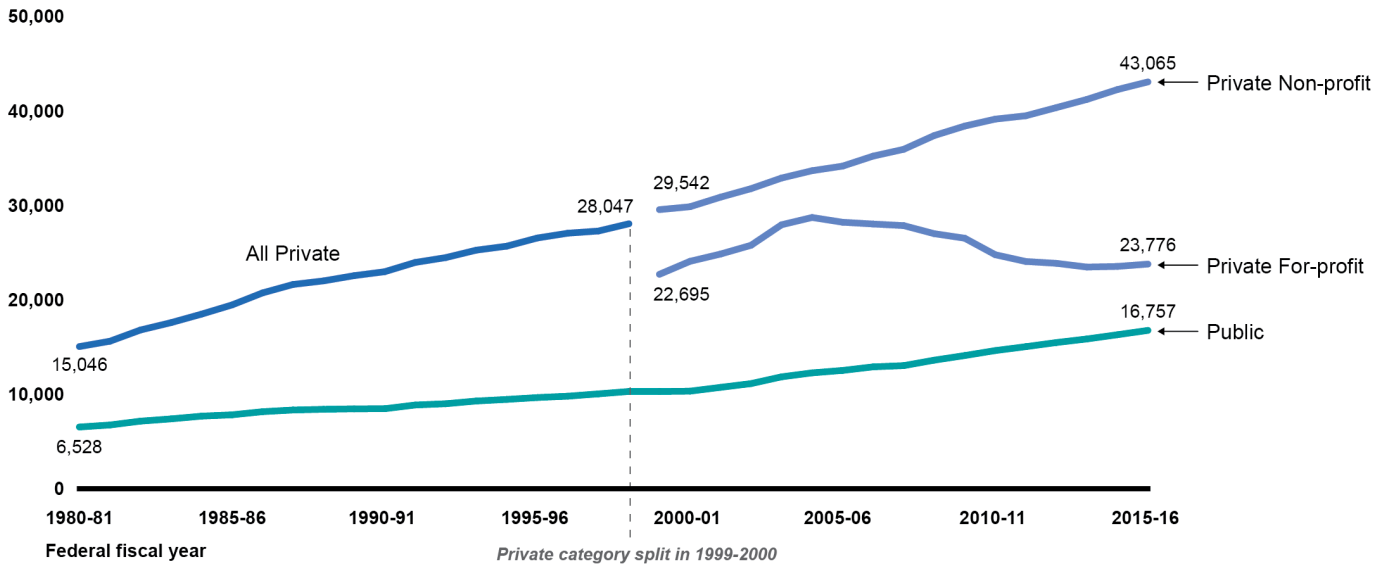
²⁵Other measures and indicators, such as average indebtedness per student, can also provide useful information about access to higher education, but were outside the scope of this report.

What is the average cost of tuition, fees, and room and board rates, by type of higher education institution?

In school year 2015-16, the average costs of tuition, fees, and room and board rates at private non-profit and private for-profit higher education institutions were \$43,065 and \$23,776, respectively. In school year 2015-16, the average cost for tuition, fees, and room and board rates at public higher education institutions was \$16,757 (see fig.16).

Figure 16: Average Tuition and Fees and Room and Board Rates Charged for Full-Time Students, by Type of Higher Education Institution, School Years 1980-81 through 2015-16

Average cost for a full-time student (in school year 2015-16 constant dollars)



Source: GAO analysis of data from the Integrated Postsecondary Education Data System (IPEDS). | GAO-18-154

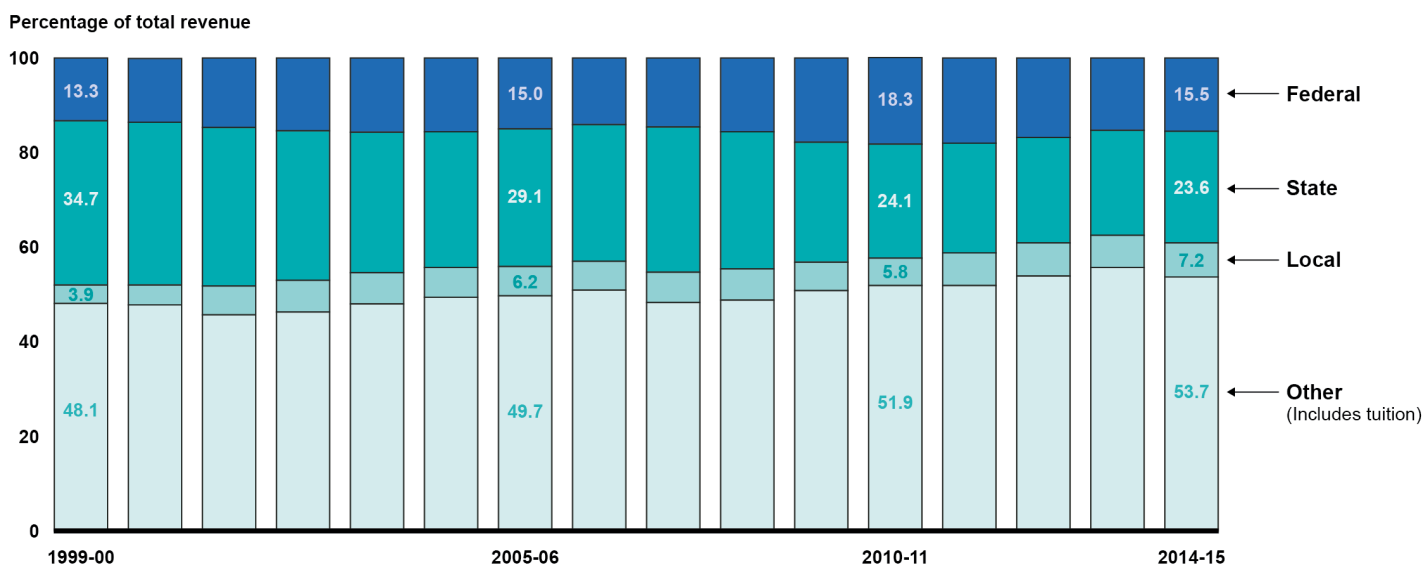
Notes: Data are from IPEDS as reported in the *Digest of Education Statistics 2015* (December 2016), <https://nces.ed.gov/programs/digest/>.

Published tuition prices do not necessarily indicate actual costs incurred by students and families, in part because grant aid can help reduce out-of-pocket costs.

How much revenue do public higher education institutions receive from state and local sources?

In school year 2014-15, public higher education institutions received about \$102 billion from state and local revenue sources.²⁶ From school years 1999-00 through 2014-15, funding from state sources to public higher education institutions generally decreased, from 34.7 percent to 23.6 percent of total funding, while funding from local sources increased from 3.9 percent to 7.2 percent of total funding (see fig. 17).²⁷

Figure 17: Share of Revenue from Federal, State, Local, and Other Sources Received by Public Higher Education Institutions, School Years 1999-00 through 2014-15



Source: GAO analysis of data from Integrated Postsecondary Education Data System (IPEDS). | GAO-18-154

Note: “Federal” sources include appropriations for meeting current operating expenses, grants, contracts, and federal grant aid to students such as Pell Grants. “State” sources refer to funds received by colleges through state appropriations laws or through grants and contracts from state

²⁶In this subsection of this report, for all revenue data describing the resources of institutions of higher education, we relied on IPEDS data. IPEDS defines “revenue” as the inflow of resources or other enhancement of net assets (or fund balance) of an institution or settlements of its liabilities (or a combination of both) from delivering or producing goods, rendering services, or other activities that constitute the institution’s ongoing major or central operations. For more information see <https://surveys.nces.ed.gov/ipeds/VisGlossaryAll.aspx>.

²⁷Public higher education institutions are supported by funding from federal, state, and local sources, revenue from tuition and fees, and other sources. Other sources can be private gifts, grants, and contracts, sales and services of educational activities, auxiliary enterprises, and hospital revenues. See GAO, *Higher Education: State Funding Trends and Policies on Affordability*, GAO-15-151 (Washington, D.C.: Dec. 16, 2014).

government agencies. "Local" sources refer to funds provided and grants made by local government. "Other sources" include private gifts, grants and contracts; sales and services of educational activities; auxiliary enterprises; hospital revenues; and tuition, which is net tuition revenue. Net tuition revenue is the amount of money the institution takes in from students after institutional grant aid is provided. For more information see GAO, Higher Education: State Funding Trends and Policies on Affordability, [GAO-15-151](#) (Washington, D.C.: Dec. 16, 2014).

How many students graduate within 150 percent of the normal time from 2-year and 4-year higher education institutions?

From fiscal years 1997 through 2015 more than 5 million students graduated within 150 percent of the normal time (within 3 years) from 2-year higher education institutions, and more than 12 million students graduated within 150 percent of the normal time (within 6 years) from 4-year higher education institutions, according to IPEDS data (see fig. 18).²⁸ During the same time period, average graduation rates at 2-year higher education institutions ranged from 30.7 percent to 34.6 percent; average graduation rates at 4-year institutions ranged from 52.5 percent to 59.2 percent (see fig. 18).²⁹

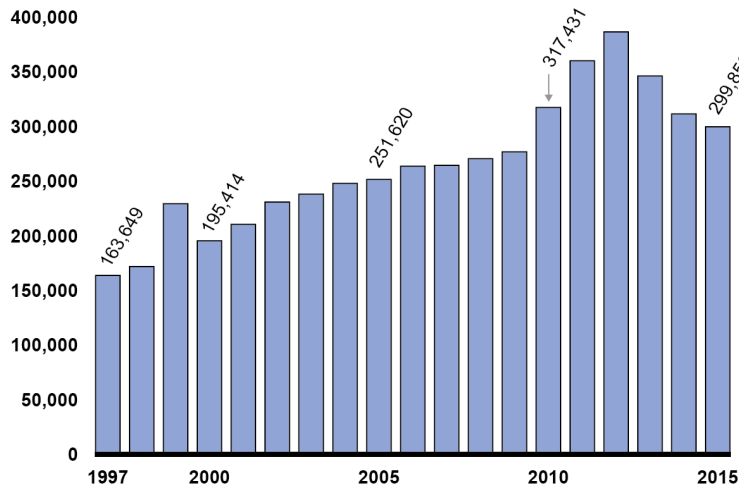
²⁸Graduation rates in IPEDs measure the percentage of a postsecondary institution's first-time, full-time undergraduate students who graduate from the same institution within 150 percent of the normal time. The National Center for Education Statistics defines the "normal" amount of time it should take to receive a degree is 4 years for a bachelor's degree and 2 years for an associate's degree. See <https://nces.ed.gov/pubs2011/2011221.pdf>. To graduate within 150 percent of the normal time from a 2-year or 4-year institution will take 3 and 6 years, respectively. The graduation rate collected by Education is limited to degree/certificate-seeking undergraduate students and excludes part-time and returning students. Students who transfer without completing a degree are counted as noncompleters in the calculation of these rates regardless of whether they complete a degree at another institution.

²⁹For more information on graduation rates at 2-year higher education institutions, which typically have higher proportions of returning and part-time students than their 4-year counterparts, and often serve more students from disadvantaged backgrounds, see American Association of Community Colleges, *Trends in Community College Enrollment and Completion Data, 2016* (Washington, D.C.: March 2016).

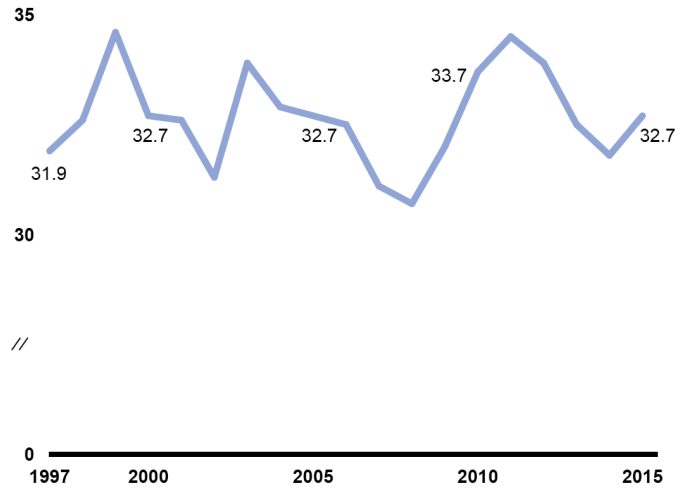
Figure 18: Graduation Rates at 2-year and 4-year Higher Education Institutions (1997-2015)

2-year colleges

Number of students graduating within 3 years

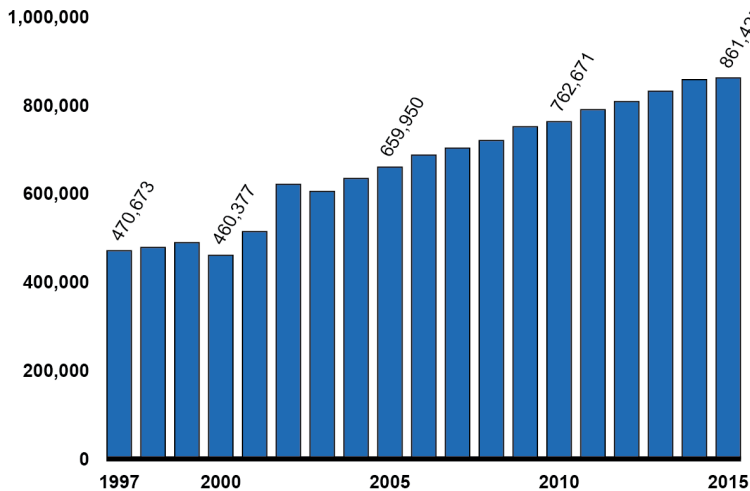


Percentage of students graduating within 3 years

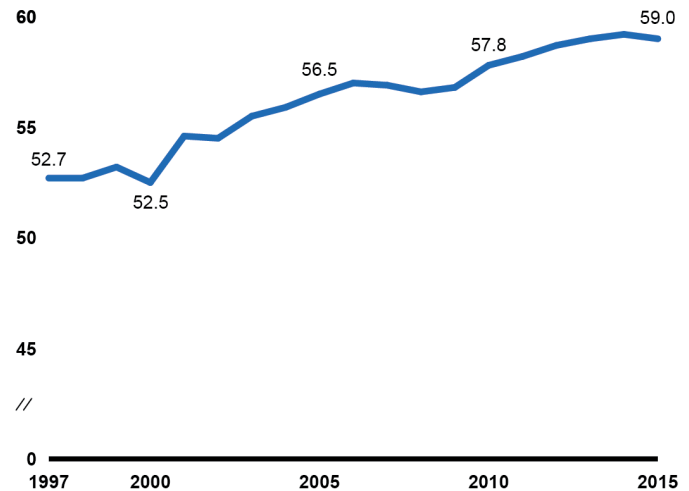


4-year colleges

Number of students graduating within 6 years



Percentage of students graduating within 6 years



Source: GAO analysis of data from Integrated Postsecondary Education Data System. | GAO-18-154

Note: These graduation rates are limited to degree/certificate-seeking undergraduate students and exclude part-time and returning students. Students who transfer without completing a degree are counted as noncompleters in the calculation of these rates regardless of whether they complete a degree at another institution.

Education’s Reported Progress in Meeting Goals and Objectives

How have Education’s strategic and performance goals changed?

Since 1998, when Education released its first official strategic plan as required by GPRA, its goals have focused on academic achievement, postsecondary education access and aid, and agency service quality.³⁰ Over time, Education’s goals have also addressed different aspects of Education’s mission, such as national education reform; educational research; early social-emotional and cognitive outcomes; workforce improvement; equity among educational opportunities, for example, among different racial and socioeconomic student populations; and civil rights enforcement (see table 2.)

Table 2: Strategic Goals from Each of the Department of Education’s Strategic Plans

Strategic Plan	Goal 1	Goal 2	Goal 3	Goal 4	Goal 5	Goal 6
1998 – 2002	Build a solid foundation for learning for all children.	Help all students reach challenging academic standards so that they are prepared for responsible citizenship, further learning, and productive employment.	Ensure access to postsecondary education and lifelong learning.	Make Education a high-performance organization by focusing on results, service quality, and customer satisfaction.	N/A	N/A
2001 – 2005 ^a	Build a solid foundation for learning for all children.	Reform the U.S. education system to help make it the best in the world.	Ensure access for all to a high-quality postsecondary education and lifelong learning.	Make the Education Department a high performance organization.	N/A	N/A

³⁰Government Performance and Results Act of 1993, Pub. L. No 103-62, 107 Stat. 285. In 2011, GPRA was significantly enhanced by the GPRA Modernization Act of 2010 (GPRAMA). GPRA Modernization Act of 2010, Pub. L. No. 111-352, 124 Stat. 3866 (2011).

Strategic Plan	Goal 1	Goal 2	Goal 3	Goal 4	Goal 5	Goal 6
2002 – 2007	Create a culture of achievement.	Improve student achievement.	Enhance the quality of and access to postsecondary and adult education.	Establish management excellence.	Transform education into an evidence-based field.	Develop safe schools and strong character.
2007 – 2012	Improve student achievement, with a focus on bringing all students to grade level in reading and mathematics by 2014	Increase the academic achievement of all high school students.	Ensure the accessibility, affordability, and accountability of higher education, and better prepare students and adults for employment and future learning.	Cross-goal strategy on management: The Department of Education will carry out its mission and reach its goals through a commitment to excellent management practices.	N/A	N/A
2011 – 2014	Early Learning. Improve the health, social-emotional, and cognitive outcomes for all children from birth through 3rd grade, so that all children, particularly those with high needs, are on track for graduating from high school college- and career-ready.	Elementary and Secondary. Prepare all elementary and secondary students for college and career by improving the education system's ability to consistently deliver excellent classroom instruction with rigorous academic standards while providing effective support services.	Postsecondary Education, Career and Technical Education, and Adult Education. Increase college access, quality, and completion by improving higher education and lifelong learning opportunities for youth and adults.	U.S. Department of Education Capacity. Improve the organizational capacities of the Department to implement this Strategic Plan.	Continuous Improvement of the U.S. Education System. Enhance the education system's ability to continuously improve through better and more widespread use of data, research and evaluation, transparency, innovation, and technology.	Equity. Ensure and promote effective educational opportunities and safe and healthy learning environments for all students regardless of race, ethnicity, national origin, age, sex, sexual orientation, gender identity, disability, language, and socioeconomic status.

Strategic Plan	Goal 1	Goal 2	Goal 3	Goal 4	Goal 5	Goal 6
2014 – 2018	Early Learning. Improve the health, social-emotional, and cognitive outcomes for all children from birth through 3rd grade, so that all children, particularly those with high needs, are on track for graduating from high school college- and career-ready.	Elementary and Secondary Education. Improve the elementary and secondary education system’s ability to consistently deliver excellent instruction aligned with rigorous academic standards while providing effective support services to close achievement and opportunity gaps, and ensure all students graduate high school college- and career-ready.	Postsecondary Education, Career and Technical Education, and Adult Education. Increase college access, affordability, quality, and completion by improving postsecondary education and lifelong learning opportunities for youths and adults.	U.S. Department of Education Capacity. Improve the organizational capacities of the Department to implement this strategic plan.	Continuous Improvement of the U.S. Education System. Enhance the education system’s ability to continuously improve through better and more widespread use of data, research and evaluation, evidence, transparency, innovation, and technology.	Equity. Increase educational opportunities for underserved students and reduce discrimination so that all students are well-positioned to succeed.

Source: GAO analysis of U.S. Department of Education’s Strategic Plans, Fiscal Years 1998-2018. | GAO-18-154

³According to an Education official, due to a change in administration, the fiscal year 2001-2005 strategic plan was replaced by a new strategic plan shortly after its release.

Education’s strategic plans are structured in a three tier format comprised of goals, with each goal having a subset of objectives that provide additional detail, which are measured by indicators.³¹ (See sidebar.)

³¹Education also refers to indicators as sub-goals, measures, metrics, and strategies in its strategic plans and annual performance reports.

GPRAMA and GPRAMA Requirements

The Department of Education's first official strategic goals were established in 1997 and published in Education's Fiscal Year 1998-2002 Strategic Plan. Prior to the enactment of the Government Performance Results Act of 1993 (GPRA), federal agencies were not required to create strategic plans. GPRA established requirements for agencies to set goals, measure performance, and submit related plans and reports to Congress.

Specifically, GPRA requires each agency to prepare (1) strategic plans with long-term, outcome-oriented goals and objectives, (2) annual performance plans with goals linked to achieving the long-term goals in the strategic plan and indicators to measure performance against the goals, and (3) annual reports on the results achieved toward the goals in the performance plan.

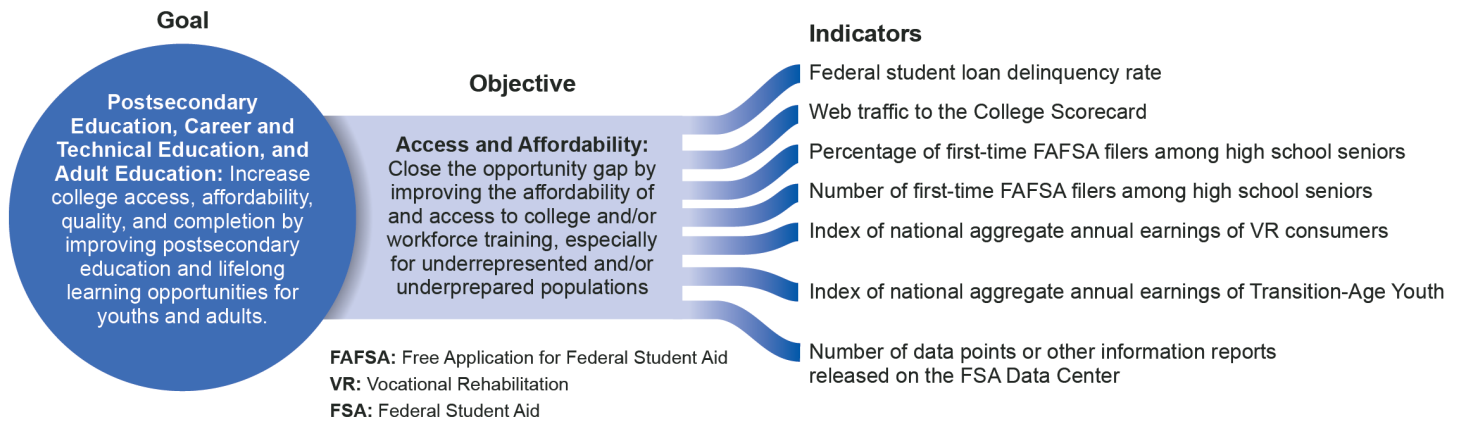
In 2011, GPRA was significantly enhanced by the GPRA Modernization Act of 2010 (GPRAMA) which, among other things, changed the timing of strategic plan updates to more closely align with presidential terms. Specifically, GPRAMA requires strategic plans to cover at least 4 years and be updated every 4 years, approximately 1 year after a new presidential term begins. See Related GAO Products at the end of this report.

Source: GPRA Modernization Act of 2010, Pub. L. No. 111-352, 124 Stat. 3866 (2011). | GAO-18-154

These goals, objectives, and indicators are interrelated. In Education's plan, each goal describes how the agency will implement a major part of its mission, and each goal has a subset of objectives that provide additional detail on the goal. Progress in meeting the planned objectives is measured by indicators. Education publishes goals, objectives, and indicators in its strategic plans, each of which covers 4 years, and reports on its progress in meeting those goals, objectives, and indicators in its annual performance reports.³² (See fig. 19.)

³²Education commonly consolidates its annual performance reports with its annual performance plans into one document.

Figure 19: Example of a Goal, Objective, and Indicators Published in Education’s Annual Performance Reports



Source: GAO description of Department of Education’s (Education) Fiscal Year 2016 Annual Performance Report and Fiscal Year 2018 Annual Performance Plan (May 2017). | GAO-18-154

To what extent has Education reported meeting or not meeting its goals related to K-12 student achievement and access to higher education over time?

In its annual performance reports for fiscal years 1999 through 2016, Education reported on indicators associated with the objectives we identified as related to K-12 student achievement. For these indicators, Education reported, on average, 25 percent as met or exceeded and, on average, 29 percent as not met.³³ Education reported “other” outcomes, such as discontinued or unavailable data, for, on average, 46 percent of these K-12 student achievement indicators.³⁴ Education also reported progress annually for indicators associated with the objectives we identified as related to access to higher education. For these indicators, Education reported, on average, 34 percent as met or exceeded, 20

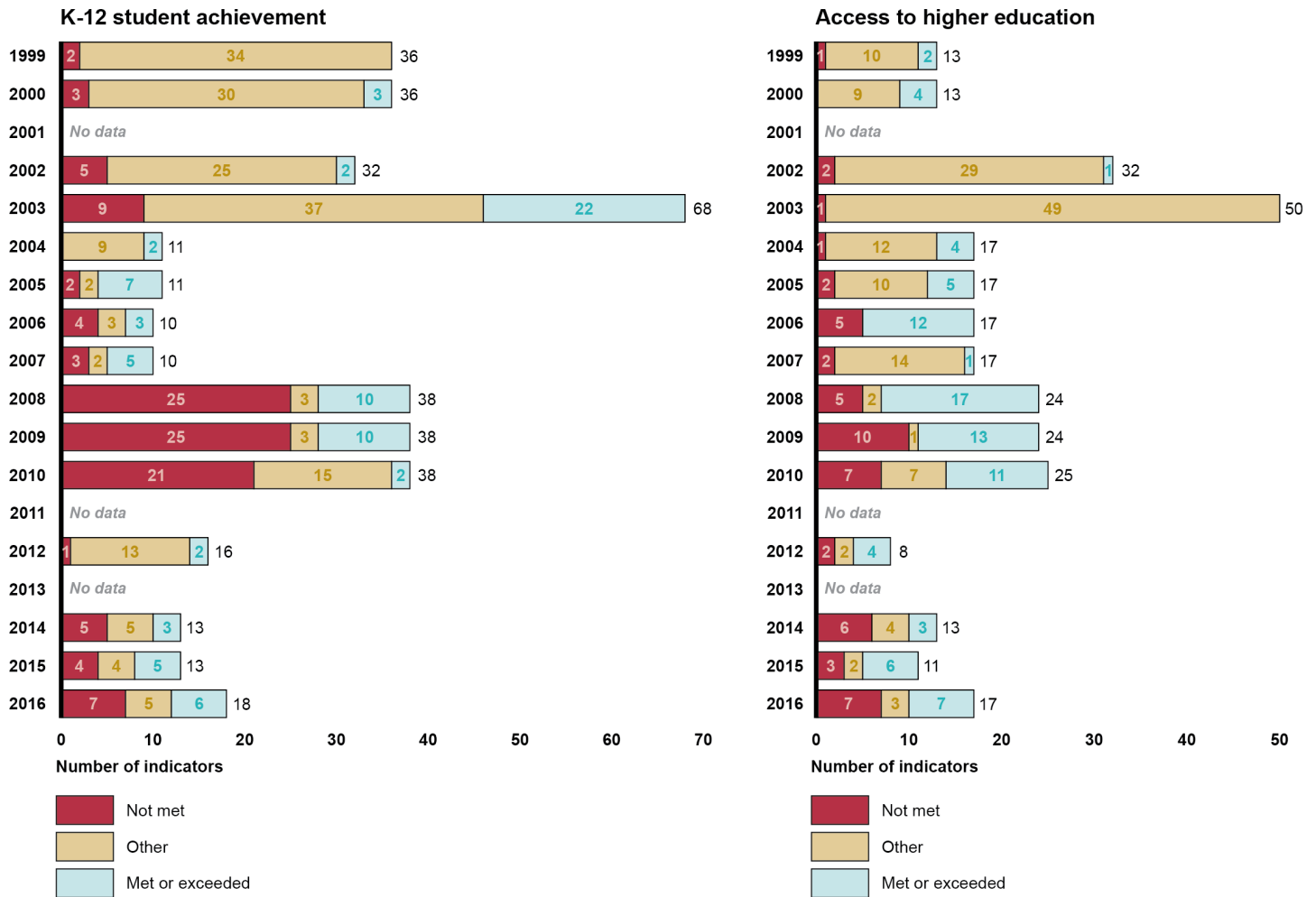
³³The *FY 2016 Annual Performance Report and FY 2018 Annual Performance Plan* is the most current performance report released by Education and presents performance information for fiscal year 2016.

³⁴We characterized as “other” indicators that were reported by Education as (1) not applicable, (2) having had metrics removed or discontinued, (3) having “positive progress,” “but data not available,” or (4) “likely,” “but data not available.”

percent as not met, and 45 percent as other.³⁵ (See fig. 20.) More information related to Education's annual performance reporting is available on Education's website.

³⁵Our analysis included only those goals, objectives, and indicators that we identified as being related to K-12 student achievement and access to higher education. Thus, this analysis does not reflect Education's total reported progress, but rather the progress of those objectives and indicators we identified as related to student achievement and access to higher education. In addition, Education does not group its indicators into categories such as student achievement and access to higher education. We asked officials from Education's Office of the Deputy Secretary to review our categorization and, in some cases, expanded our selection of goals and objectives based on their comments. See appendix I for more information on our methodology.

Figure 20: Annual Reported Progress of Selected Goals Compiled at the Indicator-Level by Education, Fiscal Years 1999 to 2016



Source: GAO analysis of U.S. Department of Education's (Education) Annual Performance Reports, fiscal years 1999-2016. | GAO-18-154

Notes: Indicators reported here as "Met or exceeded" include those that Education reported as "met" or "exceeded." Indicators reported here as "Not met" include those that Education reported as "not met" or in cases that Education reported data for a target that was explicitly not reached. Indicators reported here as "Other" include those that Education reported as (1) not applicable, (2) having had metrics removed or discontinued, (3) having "positive progress," "but data not available" or (4) "likely," "but data not available."

We found some indicators to be related to K-12 student achievement and access to higher education. In those cases, we included the indicators in both categories for our analysis.

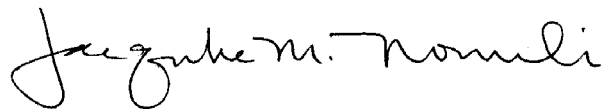
Performance information for fiscal years 2001, 2011, and 2013 are not presented at the indicator level. See <https://www2.ed.gov/about/reports/annual/index.html> for further information related to Education's reported strategic goals and performance.

Agency Comments and Our Evaluation

We provided a draft of this report to the Department of Education for review and comment. Education provided technical comments on our draft, which we incorporated as appropriate.

We are sending copies of this report to the appropriate congressional committees, the Secretary of Education, and other interested parties. In addition, the report will be available at no charge on the GAO website at <http://www.gao.gov>.

If you or your staff have any questions about this report, please contact me at (617) 788-0580 or nowickij@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made key contributions to this report are listed in appendix III.



Jacqueline M. Nowicki, Director
Education, Workforce, and Income Security Issues

Appendix I: Objectives, Scope, and Methodology

This report provides information on six broad areas: (1) the role of the federal government in education; (2) federal, state, and local resources used for K-12 public education; (3) federal resources used for higher education; (4) key measures of K-12 student achievement; (5) key measures of access to higher education; and (6) Education's reported progress meeting its goals and objectives.

We focused our review on four Education offices: (1) Office of Postsecondary Education (OPE), (2) Federal Student Aid (FSA), (3) Office of Special Education and Rehabilitative Services (OSERS), and (4) Office of Elementary and Secondary Education (OESE). We chose these offices because they manage most aspects of implementing three key Education laws. These laws are the Higher Education Act of 1965 (HEA), as amended, the Individuals with Disabilities Education Act (IDEA), as amended, and the Elementary and Secondary Education Act of 1965 (ESEA), as amended.¹ Also, these offices have managed over 90 percent of Education's annual spending. For each question, we reviewed relevant federal laws, regulations, and guidance.

To address questions about the federal role in education, we reviewed various Education documents, including budget documents, strategic plans, performance reports, and agency financial reports. We also reviewed data from the Office of Management and Budget's (OMB) MAX database. Unless otherwise noted, we obtained and reviewed data from fiscal year 1980, Education's first year of operation, through the fiscal year for which the most current data were available. We reviewed OMB MAX to determine obligations to OPE, FSA, OSERS, and OESE from 1980 through 2016. Throughout this report, we use the term "spending" to refer to federal obligations. We also reviewed OMB MAX to determine Education's and FSA's FTEs from 1981 through 2016. Data reported in MAX are subject to rigorous review and checks through OMB to help ensure consistency of the data. Accordingly, such data were considered

¹HEA authorizes many of Education's programs for higher education, including many federal student aid programs that assist students and their families in financing postsecondary education expenses. IDEA authorizes many of Education's programs for children with disabilities, including grant programs that support special education and early intervention services for children with disabilities from birth to age 21. ESEA authorizes many of Education's programs for K-12 schools including Title I-A, which provides grants to local educational agencies to fund educational and related services for low-achieving and other students attending elementary and secondary schools with relatively high concentrations of low-income families. HEA is codified as amended at 20 U.S.C. § 1001 et seq. IDEA is codified as amended at 20 U.S.C. § 1401 et seq. ESEA is codified as amended at 20 U.S.C. § 6301 et seq.

reliable for the purpose of this report and the most recent publicly available data were used.

To address questions on federal, state, and local resources used for K-12 public education and federal resources used for higher education, we obtained and reviewed data from Education's Common Core of Data (CCD). Unless otherwise noted, we obtained and reviewed data from 1980, Education's first year of operation, through the year for which the most current data were available. CCD is a comprehensive, annual, national database of all public elementary and secondary schools and school districts in the United States and captures data on, among other things, pre-K-12 enrollment by state and school revenues from federal, state, and local sources. We reviewed data from the CCD as reported in the *Digest of Education Statistics* to determine federal funding for K-12 education compared to state and local funding from 1979 through 2014. We reviewed data from the CCD as reported in the Digest to determine K-12 funding by state and U.S. territory and the source of funds for school year 2013-2014. We also reviewed data from the CCD as reported in the Digest to determine the number of students enrolled in pre-K-12 public schools from 1980 through 2014. Additionally, we reviewed data from the CCD as reported in the Digest to determine K-12 state expenditures per student in school year 2013-2014. CCD is administered by Education's National Center for Education Statistics (NCES), which annually collects non-fiscal data about all public schools, as well as fiscal and non-fiscal data on public school districts, and state education agencies in the United States. The data are supplied by state education agency officials describing their schools and school districts. Data elements include name, address, and phone number of the school or school district; demographic information about students and staff; and fiscal data, such as revenues and current expenditures. Data reported in CCD are subject to rigorous review and checks through NCES to help ensure consistency of the data.² We reviewed technical documentation and determined that these data were sufficiently reliable for our purposes.

To address questions on federal spending for higher education, we used data from OMB MAX, President's budget appendix, OMB's federal credit supplement, and Education. Unless otherwise noted, we obtained and reviewed data from 1980, Education's first year of operation, through the fiscal year for which the most current data were available. To determine

²For more information on NCES' statistical standards see <https://nces.ed.gov/statprog/>.

how much Education spent on OPE and FSA programs, we reviewed obligations data from OMB MAX for these offices. To determine how much Education spent on higher education federal grant and work study programs, we used the President's budget appendix and focused on three of Education's key federal grant and work study programs—Pell grants, Supplemental Educational Opportunity Grants, and Federal Work Study. We reviewed the President's budget appendix for obligations to Pell grants, Supplemental Educational Opportunity Grants, and Federal Work Study from fiscal years 1982 through 2018. To determine how much Education spent on federal student loans, we used direct loan and loan guarantee reestimate data for fiscal years 1992 through 2016, which are reported in the fiscal years 1994 through 2018 President's Budgets as presented in the Federal Credit Supplement.³ To calculate the subsidy cost estimate, we multiplied the original subsidy rate by the total disbursements, then added or subtracted the net lifetime reestimate. To determine the administrative costs for student loan management we reviewed 2007 through 2012 expenditure data from Education.⁴ We determined that these data were sufficiently reliable for the purposes of this report.

To address questions on key measures of K-12 student achievement, we used data from the National Assessment of Educational Progress (NAEP), and the Trends in International Mathematics and Science Study (TIMSS).⁵ Unless otherwise noted, we obtained and reviewed data from school year 1980, Education's first year of operation, through the year in which the most current data were available. NAEP results are based on a sample of students and measures what U.S. students aged 9, 13, and 17 know and can do in mathematics and reading, among other subjects, every 2 years. Since NAEP assesses a representative sample of students rather than the entire population of students, some margin of error will always be present in estimations of characteristics of the total population or subpopulation because the data are available from only a portion of the

³The Federal Credit Supplement is supplementary material issued along with the federal budget. It provides summary information about federal direct loan and loan guarantee programs subject to the Federal Credit Reform Act of 1990.

⁴[GAO-14-234](#).

⁵NAEP is the largest nationally representative and continuing assessment of what America's students know and can do in various subject areas. TIMSS measures the mathematics and science achievement of U.S. students and students in other countries every 4 years, in general. TIMSS data have been collected from students in grades 4 and 8 since 1995.

total population. To determine key trends in K-12 student achievement, we reviewed long-term trend data on NAEP's reading scores available from 1980 through 2012 and mathematics scores from 1982 through 2012. We also reviewed NAEP data by race/ethnicity and gender. TIMSS provides data on the mathematics and science achievement of U.S. students compared to that of students in other countries and measures students' knowledge and skills in mathematics and science and their ability to apply their knowledge in problem-solving situations. TIMSS data have been collected from students at grades 4 and 8 since 1995 and generally every 4 years; 2015 is the most recent year scores are available. To determine how achievement of U.S. K-12 students compared to students in other countries, we reviewed TIMSS long term trend data in mathematics and science from 1995 through 2015. NAEP and TIMSS are administered by NCES and subject to NCES statistical standards and review. NAEP and TIMSS findings are reported based on a statistical significance level set at 0.05. We reviewed technical documentation and determined that the data from both datasets were sufficiently reliable for the purposes of this report.

To address questions on key measures of access to higher education, we used data from the Federal Student Aid (FSA) data center and Integrated Postsecondary Education Data System (IPEDS). Unless otherwise noted, we obtained and reviewed data from school year 1980, Education's first year of operation, through the year in which the most current data were available. To determine the amount of outstanding student debt from federal student loans, we reviewed data from the FSA data center, which provided the amount of outstanding student debt from William D. Ford Federal Direct Loans, Federal Family Education Loans, and Federal Perkins loans from 2007, the earliest year of available data, through 2017.⁶ IPEDS reports the annual survey given to postsecondary institutions that participate in federal student financial aid programs. To determine the average cost of tuition, fees, and room and board rates by type of higher education institution, we reviewed IPEDS data as reported in the Digest of Education Statistics. To determine how much revenue public higher education institutions receive from state and local sources, we reviewed IPEDS data from 1999, which is the earliest year of available data, through 2015, the most recent year available. To determine how many students graduate within 150 percent of the normal time from 2-year and 4-year higher education institutions, we reviewed IPEDS data on

⁶For more information see <https://studentaid.ed.gov/sa/data-center>.

graduation rates from 1997, which is the earliest year of available data, through 2015, the most recent available. IPEDS is administered by NCES and subject to NCES statistical standards and review. We reviewed technical documentation and determined that the data from both datasets were sufficiently reliable for the purposes of this report.

To address questions about Education's progress meeting its goals and objectives, we analyzed reported goals and objectives related to K-12 student achievement and access to higher education for fiscal years 1998 through 2018, using the most recent performance information available. Our analysis focused on that time period because Education's first official strategic plan was published in 1997 when federal agencies were required to have strategic plans, annual plans, or performance reports under the Government Performance and Results Act of 1993 (GPRA).⁷ Because Education does not group its goals and objectives into categories such as K-12 student achievement or access to higher education and the goals, objectives, and indicators change from plan to plan and are updated from year to year, we reviewed each of Education's strategic plans and identified those goals and objectives we determined were related to K-12 student achievement and access to higher education. Specifically, to assess progress related to student achievement, we identified goals and objectives that addressed academic standards and achievement with a focus on subject matter including STEM programming, equity among opportunity gaps within K-12 students, teacher and principal quality, and early learning outcomes. To assess progress related to access to higher education, we identified goals and objectives that addressed postsecondary access and affordability. We asked officials from Education's Office of the Deputy Secretary to review our categorization and revised the goals and objectives used for our analysis based on their comments.

Using the goals and objectives from the strategic plans, we identified corresponding goals and objectives in Education's annual performance reports, beginning with the first report published in 2000 with performance information for fiscal year 1999, through the most recent report published in 2017 with performance information for fiscal year 2016. We also examined the performance reports to identify the corresponding

⁷Government Performance and Results Act of 1993, Pub. L. No 103-62, 107 Stat. 285. In 2011, GPRA was significantly enhanced by the GPRA Modernization Act of 2010 (GPRAMA). GPRA Modernization Act of 2010, Pub. L. No. 111-352, 124 Stat. 3866 (2011).

performance indicators aligned with each objective, to determine the number of indicators related to student achievement and access to higher education in each year. Finally, we examined Education's reported progress on each indicator to determine the number of indicators related to student achievement and access to higher education that Education reported meeting and not meeting annually. We present three categories of indicators: "met or exceeded," "not met," and "other." Indicators reported by Education as met or exceeded were included in the "met or exceeded" category. Indicators reported by Education as "not met" or indicators that Education reported data on for a target that was explicitly not reached were included in the "not met" category. Indicators reported as having "positive progress...but data not available" or as "likely, but data not available" are included in the "other" category. The "other" category also includes indicators reported as "not applicable," when data were under the control and review of another agency, or metrics were removed or discontinued. Our analysis included only those goals, objectives, and indicators that we identified as being related to K-12 student achievement and access to higher education. Information on all of Education's reported goals, objectives and indicators, as well as more information about Education's performance measures and strategic planning, is available on Education's website at <https://www2.ed.gov/about/reports/annual/index.html>.

Appendix II: GAO Contact and Staff Acknowledgments

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Staff Acknowledgments

In addition to the contact named above, Bill Keller (Assistant Director), Mindy Bowman (Analyst-in-Charge), Susan Aschoff, James Bennett, Deborah Bland, Sarah Cornetto, Camille Henley, Efrain Magallan, Amanda Miller, John Mingus, Sheila R. McCoy, and Ben Sinoff made key contributions to this report.

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