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ABSTRACT

As mandated by Congress, this annual report from the U.S. Department of Education (ED) describes its activities in the past fiscal year (FY). The first section, Secretary of Education T. H. Bell's report, highlights ED accomplishments in FY 1982 in such areas as federal legislation, civil rights, and paperwork reduction, and also lists ED goals involving educational excellence, education and work, dismantling of ED, tuition tax credits, and other matters. Following a chart showing ED organization, activities of the under secretary's office are outlined, as are operations in the ED offices for management, intergovernmental and interagency affairs, and planning, budget, and evaluation. Next the ED Inspector General's office reviews its audit and investigative actions. Also reporting on their programs are the ED offices for elementary and secondary education, special education and rehabilitative services, bilingual education and minority languages affairs, vocational and adult education, postsecondary education, educational research and improvement, civil rights, general legal counsel, and legislation and public affairs. A brief appendix lists the names of ED advisory councils and committees. (RW)

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U.S. DEPARTMENT OF EDUCATION ANNUAL REPORT

FISCAL YEAR 1982



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EA 015 736

U.S. DEPARTMENT OF EDUCATION

ANNUAL REPORT

FISCAL YEAR 1982

T. H. Bell, Secretary



UNITED STATES DEPARTMENT OF EDUCATION

THE SECRETARY

January 20, 1983

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

In accordance with Section 426 of the Department of Education Organization Act (P.L. 96-88), I have prepared the Department's report for fiscal year 1982. This section of the Act requires the Secretary of Education to submit to the President for transmittal to the Congress a report on the activities of the Department of Education for each fiscal year.

Sincerely,

A handwritten signature in black ink, appearing to read "T. H. Bell".

T. H. Bell

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REPORT OF THE SECRETARY

I am pleased to present to the United States Congress the report of the Department of Education for Fiscal Year 1982.

In this introductory chapter I will summarize the Department's major accomplishments in FY 1982 and will outline its goals and priorities. Subsequent chapters describe the FY 1982 activities of the Department's principal components.

Major Accomplishments in Fiscal Year 1982

The Education Consolidation and Improvement Act of 1981

This major piece of legislation, which became effective July 1, 1982, gives States and local education agencies (LEA's) authority in administering Federal funds for education programs. Chapter 1 of the Act extends to States and LEA's prime responsibility for conducting the Nation's largest Federal education program: the program of financial assistance to meet the special education needs of disadvantaged children. (Chapter 1 supersedes Title I of the Elementary and Secondary Education Act.)

Chapter 2 consolidates 42 other elementary and secondary education activities into block grants for three broad purposes: basic skills improvement, improvement of support services, and special projects.

Through this consolidation, more than 300 pages of regulations have been eliminated, as have innumerable hours of local staff time needed to comply with Federal performance requirements. In addition, Chapter 2 has reduced the number of Federal employees required to administer the programs.

The Education Consolidation and Improvement Act has gone far toward accomplishing a primary goal of the Reagan Administration -- to return the responsibility for administering the Nation's education system to where it rightfully belongs: State and local decision makers.

Civil Rights Activities

In FY 1982 the Department's Office for Civil Rights (OCR) furthered the goals of the Reagan Administration to reduce burdensome reporting requirements imposed on our Nation's schools and to return the control of education to State and local officials while still ensuring the proper enforcement of civil rights. Among OCR accomplishments:

- o Through good faith negotiation, OCR and the New York City Public Schools reached a new accord dealing with the racial makeup of school faculties.
- o OCR instituted a new policy of working cooperatively with college officials to resolve sex discrimination problems in athletics programs.

Student Financial Assistance

In an overhaul of the Federal Government's student loan and grant programs, the Department adopted stricter eligibility requirements for financial aid. New formulas were developed for distributing Pell Grants. In addition, students in families with adjusted gross incomes over \$30,000 became ineligible for Guaranteed Student Loans, except in cases of financial need.

In FY 1982 a nationwide campaign succeeded in collecting \$55.5 million in defaulted loans, and action was begun to collect \$68 million in defaulted loans from some 46,000 Federal employees and retirees. Institutions with National Direct Student Loan default rates of 25 percent or more had their Federal capital contributions cut off until they reduce these rates.

Paperwork Reduction

Throughout FY 1982, the Department continued to make giant strides in reducing the paperwork burden.

Since the inauguration of the Reagan Administration and through the close of FY 1982, the Department reduced expenditures for paperwork by \$1,105,252,117, and the time spent on paperwork by 11,282,257 hours. Moreover, 306 pages of requirements were eliminated from the Code of Federal Regulations. These accomplishments were made possible by limiting the subject matter to activities and services mandated by Congress; eliminating unnecessary records, including quarterly fiscal and other reports; and consolidating program and accounting requirements.

Reduction in Personnel

In line with the Administration's goal to reduce the Federal bureaucracy and to make more effective use of Government personnel, in FY 1982 the Department reduced the number of employees by 808, for a total personnel reduction of 1,900, or approximately 25 percent, from January 1, 1981, to November 1, 1982. As a result, savings of \$42.3 million accrue each year to the Federal Government.

Goals of the Department

During FY 1982, I repeatedly emphasized excellence in education. The promotion of more effective learning, the introduction of higher standards of education and the enhancement of excellence in education must be the highest priorities of the Department. All the goals I outlined in the FY 1981 Report continued in FY 1982 and will continue in FY 1983. They reflect and contribute to this central priority of achieving excellence in education.

Our specific goals are as follows:

Strengthen education by returning the resources and the responsibility for education decision making to the States and local communities and by eliminating the prescriptive administration of Federal programs.

In order to make the best use of our resources, we have made every effort to direct them toward State and local institutions that have the direct responsibility for teaching and learning.

Assist local educators in renewing our Nation's commitment to excellence and achievement in education at the local level by promoting identification, development, and communication of effective practices.

In order to renew and strengthen excellence in American education, we are encouraging higher standards and levels of achievement in those academic disciplines that form the basis for traditional knowledge and skills acquisition. The research on skills acquisition and effective schools identifies factors which contribute to more effective learning. Our priorities reflect the results of this significant research and, to improve student achievement, assist those directly responsible for education to develop and apply these findings.

Assist local school boards to give policy guidance and leadership in setting high standards of academic achievement, and to focus school board policy development on motivation and reward for excellence among teachers and students.

During FY 1982, we became more aware of opportunities for State and local governing boards and administrators to take action to correct some serious problems without large additional expenditures. For example, since 1965 the Federal Government has been spending large sums of money for the education of disadvantaged children. During this time, universally successful low-cost programs have been identified. A conscientious effort is being made to disseminate information on these successful low-cost programs.

We know that local school boards have a key role in setting policies that will lead to higher levels of academic achievement in the Nation's schools. Deficiencies in critical areas such as mathematics, science, and foreign language instruction can be reduced by board policies that set graduation requirements and other standards that address these problems.

I am keenly aware that excellence in education depends upon excellence in teaching. Throughout FY 1982, I encouraged the formulation of school board policies that will attract and hold more gifted and talented teachers.

I encouraged school boards to provide opportunities for teachers to earn promotions and advancement by developing and implementing master teacher career ladder programs patterned after the higher education system of academic rank, endowed chairs, and distinguished professorships. Both public and private school governing boards have been and will continue to be encouraged to enhance excellence, through their teacher personnel policies, by reviewing the recognition and reward systems now in operation in their schools.

Commission on Excellence in Education

Because I was aware of the declining quality of teaching instruction and generally poor student performance in the schools, in August 1981 I appointed an 18-member National Commission on Excellence in Education to spearhead a campaign to enhance American education. After intensive research and numerous public hearings across the Nation, the Commission will prepare a report and recommendations, due early in 1983, which are expected to initiate a new national thrust to improve our public and private schools, colleges and universities.

Setting Higher Performance Standards for Department Personnel

Managers and supervisors are required to recommend rewards to employees for achievement and outstanding performance, and to counsel and take disciplinary measures to improve or, if necessary, to remove employees who perform poorly. The Under Secretary, Senior Officers, and I strive to concentrate the work of employees on our Departmental goals and objectives.

Agreements concerning job performance ("Performance Agreements"), made between managers/supervisors and each member of their staffs, are reviewed and updated periodically to make certain that they reflect current goals and priorities and are consistent with the expectations of both managers/supervisors and employees.

Education and Work

As we move to attain passage of the Administration's bill that will consolidate vocational and adult education and terminate the exceedingly complex Vocational Education Act of 1963, we are striving to actively assist States and localities in providing quality vocational programs for all persons who need them. Special attention will be paid, in all programs, to: (1) involving the private sector as a full partner, (2) incorporating basic skills and entrepreneurship education, and (3) achieving more effective collaboration with other Federal agencies, particularly the Department of Defense in training skilled workers for defense industries and the military, and the Department of Labor in combatting youth unemployment.

Dismantling the Department

We are continuing our efforts to obtain enactment of legislation to dismantle the Department. The proposed legislation calls for replacing the Department with a foundation-type structure more appropriate to a very limited, non-regulatory Federal role for education. In this respect we are working to (1) move toward block grants or consolidation proposals, (2) devolve to the States education responsibilities that they can carry out more effectively along with the development of revenue sources and the President's New Federalism program, and (3) amend laws and eliminate regulations which infringe upon the rights and responsibilities of State, local, and private governing boards.

Passage of Tuition Tax Credits

A key item in the Administration's total plan for the improvement of American education is the enactment of tuition tax credit legislation. The Administration's bill has been submitted. Hearings have been held in the Senate. We will continue, in FY 1983 as in FY 1982, to make enactment of this legislation a high priority goal.

Student Financial Aid

Because student aid programs have grown to occupy a major part of the Federal role in education, we have made a concerted effort to advocate grant, loan, and work study programs which adhere to the Administration's fundamental principles:

- o The student and his or her parents have the primary responsibility for meeting postsecondary education costs.
- o The role of the Federal and State governments is to help bridge the gap between what the family can pay and the cost of attendance.
- o It is a Federal priority to target aid to the neediest students to assure their continued access to postsecondary education.
- o Self-help programs (in the form of loans and work) should remain available for students no longer eligible for grants.

Special Student Populations

We need to examine closely our commitment to the special populations: the disadvantaged, the handicapped, military-dependent children, Native Americans, and limited-English-proficient students. We must determine how the Federal government can best serve these students. In FY 1982, we advocated new legislative initiatives and deregulation efforts involving these special populations. In all our programs that target Federal funds on special student populations, policy development should focus on these objectives:

- o Avoid Federal usurpation of State and local responsibility and avoid dependency on Federal funds to meet all the needs of these students.
- o Allocate Federal funds to supplement, not supplant, State and local resources.
- o Develop a capacity-building strategy that will increase the ability of the States to meet these needs so that the withdrawal of Federal resources will be possible.
- o Provide specific guidelines on the types of expenditures eligible for these funds.

- o Enhance cooperative links between special education and vocational rehabilitation, to assure greater coordination between the individualized education plan and the individualized written rehabilitation plan.

Private Sector Initiatives

The Department, through my special assistant for Public/Private Partnerships, worked closely in FY 1982 with the President's task force on private sector initiatives to create public/private partnerships in education. We developed a national network of corporations and other businesses interested in supporting a wide variety of educational programs in public and private schools and sponsored workshops and seminars to increase the number of professional women involved in education. The Department will expand its activities in this area in FY 1983 by becoming closely involved with the newly created Council on Public/Private Initiatives and ensuring that a wide variety of educational programs, projects, and activities are carried out in such priority areas as the Black Colleges and Universities Initiative, minority education, citizenship education, and volunteerism.

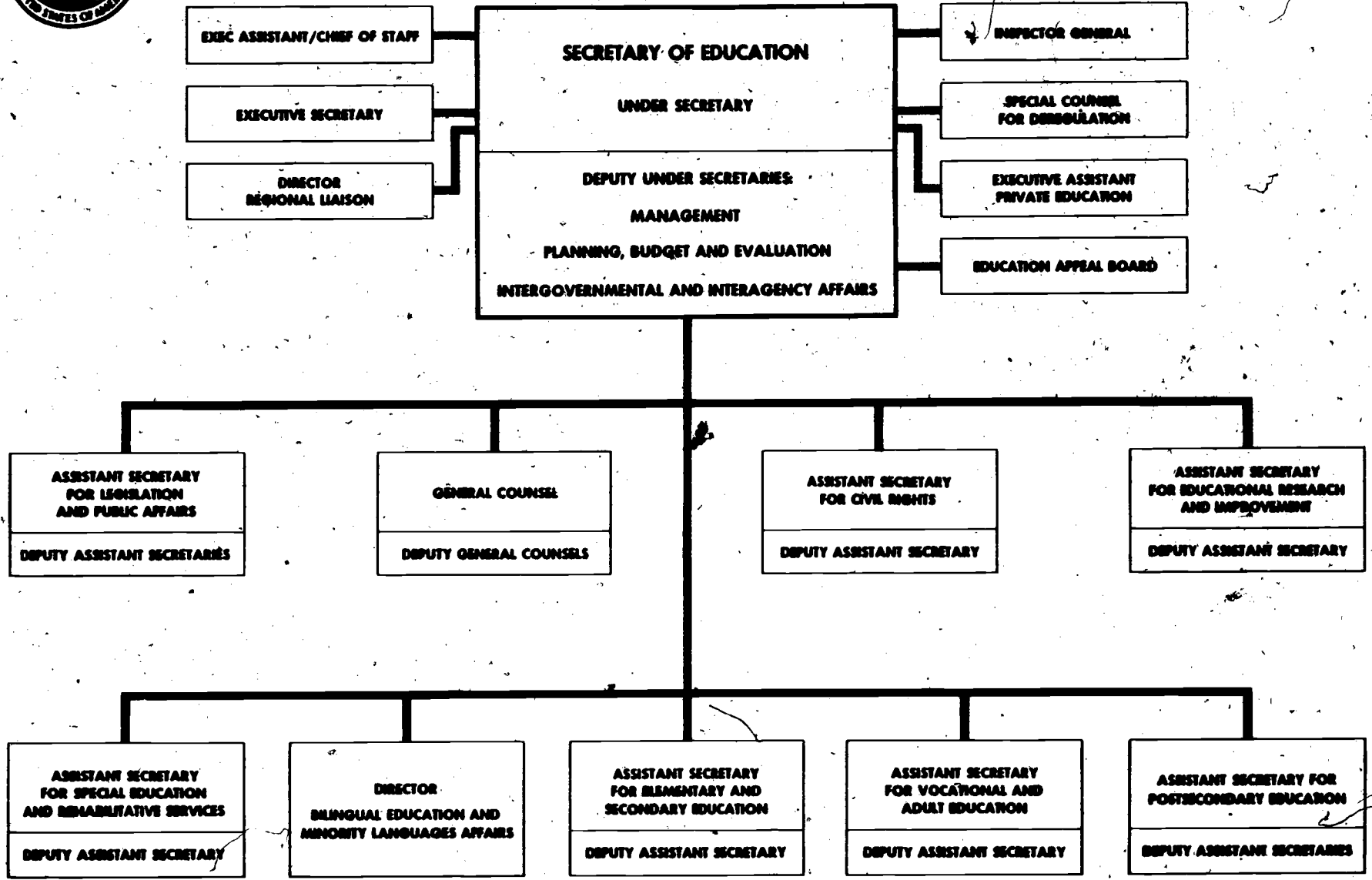
Support of Constitutional Amendment on School Prayer

On May 6, 1982, President Reagan proposed a school prayer amendment to the Constitution. We actively participated in School Prayer Day in 1982. We supported the principle of voluntary school prayer during FY 1982 and will continue doing so in FY 1983.



DEPARTMENT OF EDUCATION

APPROVED: *[Signature]*
I. H. HALL
DATE: 9-1-61



OFFICE OF THE UNDER SECRETARY

The Under Secretary is principal policy advisor to the Secretary on all major program and management issues and is responsible for the internal management and daily operations of the Department.

Department Reorganization

During FY 1982, at the direction of the Secretary and Under Secretary, the Office of the Under Secretary and the Executive Secretariat began a process of reorganization. Essentially this reorganization will:

- o Remove the functions of the current Policy Coordination Staff from the Executive Secretariat and establish in the Office of the Under Secretary an Office of Operations Coordination. Its staff is the conduit for decision and information memoranda relating to policy or regulatory initiatives coming from Senior Officers that require action by the Secretary and/or Under Secretary. The Office of Operations Coordination does not make or establish policy.
- o Maintain the function of drafting correspondence in the Executive Secretariat, and establish new functions for the Document Coordination Staff. A tracking and matrix system will help ensure timely response to external commitments (e.g., regulatory and policy issues, congressionally mandated reports, etc.).
- o Establish an issues analysis function in the Office of the Under Secretary. This organizational unit will work closely with, and, as needed, draw on the staff and expertise of various offices, particularly the Office of Planning, Budget, and Evaluation, and the Office of Educational Research and Improvement. It will collaborate with the Deputy Under Secretary for Planning, Budget, and Evaluation as a surrogate for the Under Secretary, when necessary or appropriate, on matters within the jurisdiction of the Office of Issues Analysis. The Office does not establish or make policy.

This reorganization will provide further capability in the Offices of the Secretary and Under Secretary for leadership within the Department. It will facilitate the Department's strategic planning, negotiation of conflicts on resource utilization, management of implementation of top policy decisions, and rapid response to Administration or congressional issues requiring analysis or decision by the Secretary and the Under Secretary.

REGIONAL OFFICES

The mission of the Department's 10 Regional Offices is to help achieve Administration goals within the Regions. A Regional Representative of the Secretary directs each Regional Office. Together they comprise the Secretary's Regional Representative (SRR) organization.

The SRR speaks and acts for the Secretary within the Region. In addition, the SRR handles congressional relations and implements intergovernmental, interagency, and public participation initiatives planned by the Office of the Under Secretary. Some examples include public hearings, and specific regional office activities supporting the Presidential Task Force on Private Sector Initiatives, the National Commission on Excellence in Education, and the Secretary's Initiatives on Instructional Technology and the identification of Promising Practices. The SRR also provides accurate and timely reports to the Secretary and the Director of Regional Liaison.

Each Regional Office has immediate access to its State education agencies and is responsible for assisting the Department in carrying out the block grant consolidation process and in clarifying Federal education rules, regulations, and guidelines.

Several other functions of the Department detailed below are administered at the Regional level. Although they share office space and, in some cases administrative functions, they are under the jurisdiction of the respective program assistant secretaries in Washington. These functions are detailed in the appropriate office division.

The Federal Real Property Assistance Program

Each Regional Office has a Department representative of the Federal Real Property Assistance Program which offers Federal surplus real property to State and local governments and to nonprofit public and private schools and colleges.

OIG Regional Offices

Regional OIG operations are headed by a Regional Inspector General for Audit and a Regional Inspector General for Investigation. These officials, who report directly to their respective Assistant Inspectors General in Washington, D.C., direct and coordinate audit and investigation activities in the field.

Audits in the field are performed in accordance with the OIG's Annual Audit Plan prepared jointly by Headquarters (Washington, D.C.) and field OIG personnel. The plan includes internal, external, and contract audits as well as special audits or reviews requested by program managers, the Office of Management and Budget, and the President's Council on Integrity and Efficiency.

The field investigative staff reviews and evaluates allegations of illegal or unethical practices related to Department programs and operations.

SFA Regional Office

Each Regional Office of Student Financial Aid assists in administering student financial aid programs.

This Office conducts onsite reviews of postsecondary education institutions, lenders participating in the loan programs, and State Guarantee Agencies. More than 2,000 institutions and approximately 900 lenders annually undergo an onsite review as part of the ongoing campaign against fraud and abuse.

Loan claims and collections for the National Direct Student Loan and the Guaranteed Student Loan programs are centralized in three Regional Offices: Atlanta, Chicago, and San Francisco.

The Office monitors and provides expert technical assistance to postsecondary education institutions which are about to cease operating.

The Regional Office staff also provides assistance to postsecondary institutions through training and timely responses to inquiries, and assists institutions with review and audit exceptions through onsite technical assistance teams. The staff is also concerned with student requests about Title IV financial aid programs and application procedures. It monitors consumer complaints and reports quarterly to headquarters on the problems and concerns identified.

OCR Regional Office

Under the direct jurisdiction of the Assistant Secretary for Civil Rights, the Regional Offices for Civil Rights (OCR) are responsible for ensuring that no one is unlawfully discriminated against in programs and activities receiving Federal financial assistance on the basis of race, national origin, handicap, sex, or age. OCR's Regional Offices accomplish this task through technical assistance and compliance activities. Compliance activities consist primarily of the investigation and resolution of civil rights complaints filed by the intended beneficiaries of Federal education funds, and OCR initiated reviews of education institutions where there are reasons to suspect lack of compliance. To fulfill its enforcement responsibilities, OCR monitors civil rights problems deemed so severe that they can be corrected only over a long period of time.

These offices (1) provide technical assistance to State agencies, project grantees, and prospective grantees; (2) develop programs within State agencies and other public and private nonprofit organizations; (3) review program activities of the States and grantees; (4) coordinate program activities with other Federal agencies in the regions; (5) resolve audit findings; and (6) exercise delegated authority.

Regional Offices

Region I
Connecticut, Maine, Massachusetts,
New Hampshire, Rhode Island,
Vermont

John W. McCormack
P.O. & Courthouse
Room 526, Post Office Square
Boston, Massachusetts 02109
Telephone: 617/223-7500

Region II
New Jersey, New York, Panama
Canal Zone, Puerto Rico, Virgin
Islands

26 Federal Plaza
Room 3954
New York, New York 10278
Telephone: 212/264-7005

Region III
Delaware, District of Columbia,
Maryland, Pennsylvania, Virginia,
West Virginia

3535 Market Street
Room 16350
Philadelphia, Pennsylvania 19104
Telephone: 215/596-1001

Region IV
Alabama, Florida, Georgia,
Kentucky, Mississippi, North
Carolina, South Carolina,
Tennessee

101 Marietta Tower
Suite 2221
Atlanta, Georgia 30323
Telephone: 404/221-2502

Region V
Illinois, Indiana, Michigan,
Minnesota, Ohio, Wisconsin

300 South Wacker Drive--Room 3214
Chicago, Illinois 60606
Telephone: 312/353-5215

Region VI
Arkansas, Louisiana, New Mexico
Oklahoma, Texas

1200 Main Tower Building
Room 1460
Dallas, Texas 75202
Telephone: 214/767-3626

Region VII
Iowa, Kansas, Missouri, Nebraska

Eleven Oak Building
324 East 11th Street
9th Floor
Kansas City, Missouri 64106
Telephone: 816/374-2276

Region VIII
Colorado, Montana, North Dakota,
South Dakota, Utah, Wyoming

Federal Office Building
1961 Stout Street
Room 380
Denver, Colorado 80294
Telephone: 303/837-3544

Region IX
Arizona, California, Hawaii, Nevada,
Guam, Trust Territory of Pacific
Islands, American Samoa

50 United Nations Plaza
Room 205
San Francisco, California 94102
Telephone: 415/556-4920

Region X
Alaska, Idaho, Oregon, Washington

3rd & Broad Building
2901 3rd Avenue, M/S 108
Seattle, Washington 98121
Telephone: 206/399-0460

OFFICE OF THE DEPUTY UNDER SECRETARY FOR MANAGEMENT

The Office of Management (OM) is responsible for designing, building, supporting, and operating management and administrative systems which ensure that Federal education program funds reach State and local educational agencies and their constituents in the most responsible and cost-effective manner, and that those funds are administered in accordance with congressional intent and applicable regulations. Special emphasis is placed on careful awarding of grants and contracts, and debt collection and cash management efforts in carrying out these responsibilities. The Deputy Under Secretary for Management serves as the principal advisor to the Secretary and the Under Secretary on all Department administrative matters.

In FY 1982, OM goals were as follows: to complete steps to streamline the organizational structure of the Department and develop ways to meet reduced personnel ceilings established by the Office of Management and Budget (OMB); increase staff and management development programs in order to strengthen professional and management capability and improve morale in a reduced Federal education agency; and provide management support services to Department program operations in a responsible, efficient, and timely way.

The Comptroller.

OM's Office of the Comptroller is responsible for assistance and procurement management, financial management, information resources management, credit management, and the salaries and expenses budget.

Assistance and Management Procurement Service (AMPS)

In accordance with Section 426(b) of the Department of Education Organization Act, the Department reports 3,840 procurement award actions during FY 1982 totaling \$189,145,975. These figures include small purchase actions (see table). It is estimated that 3,783 non-Federal personnel were employed under contracts. The Department reports 9,945 grant award actions during FY 1982 totaling \$727,873,723.

Scheduling of grants and contracts was greatly improved in FY 1982. As a result they were better distributed throughout the year; e.g., the number of fourth-quarter awards was reduced. This major goal was achieved through the involvement of top management, including the Secretary.

During FY 1982, AMPS began to upgrade its grants and contracts management systems. These efforts will improve internal controls and monitoring capabilities, and create a centralized Department data base. An automated scheduling system for grants and contracts also got underway, with a feasibility study planned to assess the management systems needed for contract workload planning and document preparation.

Extent of Contracts and Non-Federal Personnel Employed
FY 1982

| | <u>Number of Contracts</u> | <u>Total Cost</u> | <u>Total Number Non-Federal Personnel</u> |
|---|--------------------------------|----------------------|---|
| Assistance Management Procurement Services Contract Actions | 784 | \$155,243,881 | 3105 |
| Assistance Management Procurement Services Small Purchases | 2,502 | 4,801,413 | 96 |
| National Institute of Education Contracts Actions | 300 | 28,832,752 | 577 |
| National Institute of Education Small Purchases | <u>254</u> | <u>267,929</u> | <u>5</u> |
| TOTAL | <u>3,840</u> | <u>\$189,145,975</u> | <u>3,783</u> |

By the end of FY 1982 the AMPS Audit Resolution staff resolved all discretionary grant, contract, and system audit reports identified as six or more months overdue by the Office of the Inspector General, thus improving the Department's credit management record.

Financial Management Service (FMS)

During FY 1982, major efforts were successfully made to improve accountability, debt management, and administrative controls in the Department.

An automated system was instituted to account for the 3,500 to 4,000 long-term construction loans established under the College Housing and Higher Education Facilities Programs. The system eliminated a long-standing backlog in posting and permitted reconciliation for the first time with the portfolio manager of the Federal Reserve Bank in Richmond, Virginia, for both programs.

In March 1982 the Department received approval from both the General Accounting Office (GAO) and OMB for its procedures for administrative control of funds, thus enabling the Department to establish internal regulations governing the control of funds and prevent violations of the Anti-Deficiency Act.

Computer relay terminals were installed in several offices in the Department to provide direct access to the computerized financial system established in FY 1981. With these terminals program offices can determine the current status of fund availability and open obligations by document or recipient number. This system of immediate access to data eliminates the need for printing and manually distributing individual reports.

Information Resources Management Services (IRMS)

The Division of Education Data Control was merged with the Office of Information Resources Management to form the Information Resources Management Services under the Office of the Comptroller. This action brought the Department's component responsible for planning and reviewing education-related data-collection activities into the organization responsible for managing the Department's computer technology and related automated data processing resources.

The merger was designed to improve the Department's efficiency and effectiveness in all phases of information management, including guidance in developing data requests; reduction in the amount of data collected; and reduction in redundant data collection through the promotion of shared data systems.

Major initiatives included development of a plan to conduct information management reviews of six of the Department's major information systems;

further reduction in Federal reporting requirements; steps to improve the Student Financial Aid Delivery System; expansion of office automation; and steps to establish an ED Computer Network.

Reducing Paperwork Burdens. -- During FY 1982 the Department exceeded its goal of reaching Federal reporting requirements. The Paperwork Reduction Act of 1980 (P.L. 96-511) required Federal agencies to reduce burdensome reporting requirements by 25 percent for the 1980 base year. By the end of FY 1982 the Department had reduced its reporting burden by more than 30 percent, an additional 15 percent over the FY 1981 reduction. This was achieved by improving the forms review process, further improving the Pell Grant application, limiting data collections strictly to those required by statute or regulation, and providing technical assistance in forms development.

Improving Student Financial Aid Delivery. -- The Department took significant steps to improve the Student Financial Aid Delivery System in FY 1982. Under the guidance of a steering committee composed of senior level officials, and through close coordination with both the Congress and educators, five task groups developed a project plan to redesign the delivery system. A comparative analysis was made of seven possible delivery systems and an initial version of a Policy Issues and Delivery Systems Report was sent for comment to selected officials in the education community and to key congressional staff. The Department also began construction of a model which will evaluate delivery design options.

Sharing Information Resources. -- The Department intends to expand its office automation capabilities through establishment of the ED Computer Network. This network is based on the concept of standardizing and simplifying the method by which the user obtains access to computer resources necessary to meet individual program requirements. The first building block for this network of services was an RFP (Request for Proposal) for an ED Central Computer Facility. Subsequent RFP's will be issued for terminals and minicomputers, and the communications network will provide a common link between the computer service and the user terminal.

Credit Management

Since launching its Credit Management Improvement Initiative in October 1981, the Department has made significant gains in identifying and correcting credit management deficiencies and increased collection of debts due the Department from the public. Efforts managed or coordinated by the Comptroller's Office resulted in the following improvements:

Collection Contracts

The Department issued contracts with two private firms for collection of defaulted accounts in two major student loan programs. These contracts are important milestones in Federal use of the private sector for debt collection.

Increase in Collection of Defaulted Student Loans

Since the spring of 1981 the Department has decreased from 1,000 to 279 the number of collectors of defaulted student loans who are official employees of the Department. Even with this decrease, the Department increased significantly its collection of debts prior to referral to the private sector contractors.

Audit Resolution Performance

The Department made significant progress during FY 1982 in the management of its audit resolution responsibilities. For the first time since the Department was created, specific procedures were developed to resolve and follow up on audit recommendations, including those involving Federal funds. These procedures establish specific schedules within which to complete audit resolutions, and mandate timely arbitration in cases where program staff cannot achieve resolution.

While procedures were under development, the Department increased efforts to eliminate a major backlog of unresolved audits more than six months old. On September 30, 1981, the number of these audits exceeded 1,800. By September 30, 1982, only 127 cases remained unresolved. Moreover, while every effort was made to reduce the number of unclosed audits, no sacrifice was made in the quality of resolved actions.

Administrator for Management Services

The Administrator for Management Services is responsible for personnel management, employee development and executive training programs, organizational performance service, and administrative resources management.

Personnel Resource Management Service (PRMS)

During FY 1982 the Department began to convert to a modern, integrated payroll and personnel system (PAY/PERS) which is operated by the Department of the Interior. Completion of the conversion is expected in FY 1983. Included in the conversion is implementation of an interim version of the PAY/PERS position control subsystem which will enable the Department to perform position accounting functions.

During FY 1982, PRMS completed the computerized RIF model for use in budget planning, implemented the development of a new Department personnel system and payroll services improvement project, and initiated a project on automation of position classification in selected series.

PRMS implemented a General Performance Appraisal System (GPAS), completed assessment of GPAS implementation, and completed evaluations of the Department's Merit Pay Performance Appraisal Systems and the Senior Executive Service.

PRMS played a role in extending the contract between union and management, in developing management proposals for collective bargaining and ongoing negotiations, and in conducting labor relations training for collective bargaining officials and supervisors.

Controlling the Size of Government. -- In FY 1982, primarily as a result of the enactment of the Education Consolidation and Improvement Act and effective controls on hiring, the Department reduced its work force by 717 positions (11 percent).

PRMS completed a placement reduction-in-force (RIF) in headquarters and the regions, a regional consolidation of the Office of Student Financial Assistance and the resulting RIF, a restructuring of the Office of the Secretary's Regional Representatives and the resulting RIF, and a headquarters RIF in the Office of Elementary and Secondary Education, the Office of Legislation and Public Affairs, and the Office of Vocational and Adult Education. Substantial emphasis was placed on activities related to RIF -- seminars, counseling, outplacement assistance, and filling vacancies created by early retirements.

Organizational Performance Service (OPS)

OPS is responsible for improving Department efficiency and effectiveness by developing responsive organizations and strategic management plans, and by strengthening management systems and procedures.

In FY 1982 OPS directed implementation of OMB Circular A-123 (Internal Control) in headquarters and the regions. OPS assessed the extent to which internal control systems have safeguards so that financial transactions are carried out in accordance with the law, regulations, and Department procedures. OPS initiated and will continue reviews of those systems lacking sufficient checks and balances.

OPS completed 23 studies to support the improvement of program operations and the delivery of services. This effort included assessments of the Adult Education Program, Basic Skills Program, National Direct Student Loan Program, Special Program for Disadvantaged Students, National Institute of Education

Labs and Centers Programs, Study Skills, Upward Bound, and the Transition Program for Refugee Children. Internal management improvement studies focused on meeting time-frame requirements for Adams cases under the Office for Civil Rights, financial management systems, administrative services, and OMB Circular A-76 encouraging the use, where possible, of private sector services.

Administrative Resources Management Service (ARMS)

In FY 1982 cutback management principles were applied and substantial savings achieved without reducing the level of essential services.

The Department received approval from the General Services Administration (GSA) on its Records Disposition Schedules for selected records series, established a network of Records Liaison Officers, and reduced its space for records at the Washington Federal Records Center by 3,792 cubic feet.

Space reductions and consolidation at ED headquarters resulted in savings of more than \$285,000 in FY 1982. A review of ED space in the regions, through the joint efforts of ED and GSA, saved \$191,000. A cutback in GSA's standard levels of guard service and adherence to GSA's cyclical painting program effected cost avoidance of more than \$200,000. A massive review of all ED headquarters telecommunications equipment and requirements resulted in line restrictions, equipment reductions, and savings of more than \$300,000.

Horace Mann Learning Center (HMLC)

The Horace Mann Learning Center serves as the Department's training arm and is the focus of Department activities to develop and improve employee skills. During FY 1982 the Center continued to develop training policy in key areas, expand its range of specialty training programs, and implement changes brought on by needs to redirect employee resources. Training policies were developed for management of training in the regions, for job series crossover training, and for preparation of individual development plans.

New programs were initiated in FY 1982 which increased the target groups receiving special emphasis in training. The programs include the Senior Manager Program for mid-level managers, Education Policy Fellowships for non-managers, career advancement for staff in lower grades, and certification of secretaries.

More than 1,000 managers, supervisors, and executives received training to implement the Secretary's initiatives; for example, improvement of cutback management. More than 500 individuals participated in special outplacement efforts, in addition to those in programs for special populations including disabled entry-level employees and Vietnam-era veterans. More than 1,500 employees attended 23 Education Forums offered in coordination with principal

ED offices. These included the "New Technology in Education Series," "Ensuring Excellence in Education for Rural America," and the Round Table series featuring leading educators from the international community.

Office of Small and Disadvantaged Business Utilization

As required by P.L. 95-507, the Office of Small and Disadvantaged Business Utilization was established during FY 1982. The Office actively reviews and implements all legislative requirements, including development of policy materials and operating procedures. In addition to its basic operating requirements, the Office serves as a focal point for small and disadvantaged firms interested in conducting business with the Department.

Equal Employment Opportunity (EEO)

The Equal Employment Opportunity Program provides planning and direction of the Department's diverse Affirmative EEO Plan, and administrative recourse to employees and applicants who believe they have been discriminated against because of race, color, religion, national origin, age, handicapping condition, or sex (or have been subjected to sexual harassment).

Each discrimination allegation presented against the Department constitutes potential processing costs in the tens of thousands of dollars. In this regard, a priority for FY 1982 was increasing the number of informal adjustments of EEO discrimination complaints. Emphasis will be placed upon training EEO counselors to increase their effectiveness through conciliation. In addition, the EEO staff plans a pilot project to test the use of nondepartmental mediators in complaint-processing procedures.

Office of Education for Overseas Dependents

Since 1946 the Department of Defense Dependents' Schools (DoDDS) have educated children of U.S. military personnel abroad:

The Department of Education Organization Act called for transfer of this school system to the Department of Education by May 1983, and establishment of an Advisory Council on Dependents' Education in the Department. Toward the end of FY 1982, the date of transfer was extended to May 1984 by the Department of Defense Authorization Act of 1983.

The Department of Education helped the Department of Defense prepare legislation to repeal the transfer of the overseas schools and establish the Advisory Council in the Department of Defense. However, this legislation was not passed by Congress.

OFFICE OF THE DEPUTY UNDER SECRETARY FOR PLANNING,
BUDGET, AND EVALUATION

The Deputy Under Secretary for Planning, Budget, and Evaluation (OPBE) is the principal advisor to the Secretary for developing and managing the Department's planning and program-budgeting systems. OPBE develops and monitors the Secretary's policy analysis agenda, and conducts program evaluation, technical planning, and analysis.

OPBE assists in formulating Federal education policies and budgets for more than 100 Department programs. It develops an overall framework for policy and translates that framework into budgetary, legislative, regulatory, and operational programs for review and approval by the President and the Congress.

OPBE reviews proposed regulations, legislation, and administrative orders or public announcements which affect policy, program plans, and budgets. The Office brings together the results of research, analysis, long- and short-range planning, and evaluation activities of the Department's principal offices.

FY 1982 Activities

OPBE continued to take the lead responsibility within the Department for development of the specifications for the Administration's proposals to the Congress in such areas as vocational and adult education, student financial aid, and bilingual education. OPBE continued its analysis of options in restructuring the Department as a Foundation for Education Assistance. The Office also prepared a complete budget for the new Administration in FY 1982 and worked with OMB and the Congress on numerous budget actions throughout the year.

In FY 1982, OPBE was reorganized into two major service units in support of the Administration's goals to reduce the Federal presence in education and make Federal programs less costly but more efficient. The Budget Service is responsible for development and presentation of Administration proposals for departmental budgets. Planning and Evaluation Service is responsible for long-term (strategic) planning, short-term planning for the Department's Policy Analysis Agenda, conducting analytic and evaluation studies, and reporting on program operations and effectiveness.

A major initiative of OPBE was a long-range planning process for the Department of Education. In FY 1982, the first cycle defined the social, demographic, and economic context within which educational activities will take place during the 1980's. A first effort was made to describe implications of this context for various program and staff offices in the Department. Long-range planning helped to define a number of continuing issues in education which are to be addressed by short-term planning for analyses and evaluations under the Policy Analysis Agenda.

OPBE completed the FY 1982 Policy Analysis Agenda in April. The Agenda is a compendium of planning studies, evaluations, and analytic activities which OPBE and other Department program and staff offices conducted in FY 1982. Preparation of the Agenda involved extensive discussions between OPBE staff and other departmental staffs concerned with policy analysis. The Deputy Under Secretary for Planning, Budget, and Evaluation met with each Assistant Secretary to review the Department's priority information needs and to help define specific studies and analyses.

OPBE also began a major effort to automate the tracking and projection system for budget outlays. The system will help meet OMB and congressional requirements for estimating the impact on outlays of budget and legislative proposals, as well as OMB requirements for quarterly outlay reports. The Office also moved into an automated process for transmitting budget-print materials and related technical schedules to OMB.

Numerous regulatory proposals, including Family Contributions Schedules for the Pell Grant Program and the Guaranteed Student Loan Program, and revised regulations for the Guaranteed Student Loan Program, were developed in part and reviewed by OPBE.

OPBE prepared the FY 1982 Annual Evaluation Report with the assistance of the Department's program and staff offices. The Report presents information on legislative authorization, funding, program goals and objectives, program operations, program progress and effectiveness, current analytical activities, sources of evaluation data, and contact names for those interested in further information on specific Department programs.

OPBE continued its close collaboration with the Council of Chief State School Officers and with the Council's Committee on Evaluation and Information Systems (CEIS) to ensure that Federal studies and surveys are conducted efficiently in the field while imposing minimal burdens on respondents.

OFFICE OF THE DEPUTY UNDER SECRETARY
FOR INTERGOVERNMENTAL AND INTERAGENCY AFFAIRS

The Deputy Under Secretary for Intergovernmental and Interagency Affairs provides leadership for the Department in its relations with State and local governments and with other Federal agencies.

Established in FY 1981, the Office of the Deputy Under Secretary:

- o provides staff services for the Intergovernmental Advisory Council on Education and the Federal Interagency Committee on Education;
- o serves as principal liaison with other Federal agencies, State and local governments, organizations, and education associations;
- o administers the Department's advisory committees;
- o advises on international affairs as they relate to intergovernmental and interagency education issues;
- o directs and supports the Education Appeal Board.

Education Appeal Board

Sixteen new cases were accepted by the Education Appeal Board in FY 1982, of which three were appeals of audits under Title I, ESEA. These audit findings involved approximately \$14.5 million, of which approximately \$9.3 million were Title I exceptions taken by the auditors.

Eleven cases before the Board, including seven Title I appeals, were resolved either by decision of a Board panel or through settlement. Approximately \$5.3 million had been at issue in these cases. Additional cases were remanded by the Board to officials elsewhere in the Department with a recommendation that further efforts be made to settle the disputes through negotiation rather than litigation.

The Secretary continued to add appointees to the Board, bringing its membership close to the statutory maximum of 30, thus enabling the Board to assign a larger number of cases than previously.

The U.S. Supreme Court accepted the Government's petition for review of the decision of the Third U.S. Circuit Court of Appeals, which had reversed Board decisions supporting the right of the Secretary to make financial recoveries under common law.

Office of Intergovernmental Services

The Office of Intergovernmental Services (OIS) is the Department's major link with national, State, local education, and general governance organizations. In FY 1982 the Office conducted briefings and participated in numerous national and State conferences to discuss current and future educational policies. It informed education organizations, the Secretary's Regional Representatives, and State and local governance units about proposed regulations and guidelines.

Intergovernmental Services has been the Department's lead office in the development of policy for implementing Executive Order 12372. In this regard, it coordinated Department-wide activities in FY 1982, including a review of all program regulations, and worked with the Office of Management and Budget on resolving interagency and intergovernmental policy questions.

Intergovernmental Advisory Council on Education

The Intergovernmental Advisory Council on Education (IACE), established under Section 213 of the Department of Education Organization Act, provides assistance and recommendations to the President and the Secretary regarding the effect of Federal education policies on States and local school districts. The Council provides a forum for representatives of Federal, State, and local governments, as well as public and private schools and colleges, to discuss education policy, and makes recommendations to improve the administration and operation of Federal education and education-related programs.

President Reagan reconstituted the Intergovernmental Advisory Council on Education in May 1982, appointing all new members. The Council met twice -- June 10-11, 1982, and August 26-27, 1982 -- in Washington, D.C. The goals, mission of the Council, and mandates of the legislation were discussed, and several briefings offered on such topics as technology, the private sector, and block grants. The National Commission on Excellence was also discussed.

International Affairs

The International Affairs Staff coordinates the Department's participation in international activities with the U.S. Department of State and other Federal agencies, the United Nations Educational, Scientific, and Cultural Organization (UNESCO), the Organization for Economic Cooperation and Development (OECD), the Organization of American States (OAS), and other United Nations organizations and commissions.

The staff conducted briefings and developed two position papers and background materials for the U.S. Delegation to the Thirty-Eighth International Conference on Education held in November 1981 in Geneva, Switzerland. The conferences, at the ministerial level, take place biennially under the auspices of the International Bureau of Education (IBE), which examines major trends in education. At the 38th session IBE made a recommendation of international import on the special theme of the conference, "The Interaction of Education and Work." The U.S. Delegation made a substantial contribution to the recommendation through the participation of the Assistant Secretary for Vocational and Adult Education. A special report on U.S. education, Progress of Education in the United States of America, 1978-79 and 1979-80, was prepared by ED for the conference.

The staff continued its review of the UNESCO Draft Medium Term Plan (1984-89) for policy guidance and provided position papers for the U.S. Delegation to the Fourth Extraordinary Session of the UNESCO General Conference to be held in November 1982. It also prepared position papers for two meetings of the OECD's Education Committee and for two meetings of the Governing Board of OECD's Center for Educational Research and Innovation (CERI). It provided briefings and staff support for ED officials representing the U.S. at these meetings. In addition, it provided assistance to, and appropriate diplomatic liaison for, other ED offices in connection with (1) participation of experts from OECD and OECD member countries in the Department's National Technology Conference and in the International Seminar on Technology, co-sponsored by ED and CERI (Washington, D.C., June 1982); (2) the Seminar on Education of the Handicapped co-sponsored by CERI and the National Association of State Directors of Special Education (Washington, D.C., May 1982); and (3) the International Symposium on Services for Young Disabled Children, their Parents, and Families, sponsored by ED in cooperation with UNESCO (Washington, D.C., December 1981).

Committee Management

The Department administers 22 public advisory committees. The committees are one means by which public concern and the expertise of advisory committee members can influence Department policies.

The functions and structure of advisory committees are established by statute or by the Secretary of Education. Advisory committee operations are governed by the Federal Advisory Committee Act, the General Education Provisions Act, and the Department's Committee Management Regulations.

The President appoints the members of nine committees; the Secretary appoints the members of the remaining thirteen. During FY 1982 the Secretary made 61 appointments and approved the charters of two committees.

The Department was responsible for twenty-three committees at the beginning of FY 1982. During the year, one committee terminated and none was established.

Federal Interagency Committee on Education

In Fiscal Year 1982, the President concurred with the Secretary's recommendation to activate a Federal Interagency Committee on Education (FICE) and pursuant to 20 U.S.C. Section 3424(c) named 12 Federal Departments, Agencies, and Endowments that would compose the FICE membership. The Committee is chaired by the Secretary of Education. Its members are senior policy makers representing the Departments of Defense, Agriculture, Labor, Housing and Urban Development, Health and Human Services, Interior; National Endowments of the Arts and Humanities; United States Information Agency; National Science Foundation; Veterans Administration; and Administration for Children, Youth, and Families.

The Committee set three goals for FY 1982. Education policy will be coordinated across the Federal government to ensure: (1) consistent administration and development of policies among Federal agencies in the conduct of related programs; (2) full and effective communication among Federal agencies to avoid unnecessary duplication of activities and repetitive collection of data; and (3) full and effective cooperation in related research, studies, and analyses.

During FY 1982, seven subcommittees were established for coordination in the following program areas: (1) training/vocational education; (2) student financial assistance; (3) special/disadvantaged/handicapped education; (4) impact aid; (5) education and technology; (6) rural education; and (7) international and territorial education.

Arts Coordination

In FY 82 most opportunities for art-related projects were combined under the block grant reforms. The Arts Coordination staff coordinated grants from the Secretary's discretionary fund to the John F. Kennedy Center for the Performing Arts and the National Committee, Arts for the Handicapped. These grants aid arts programs for children. Extensive technical assistance was provided to the Rockefeller Brothers Fund.

Office of Public Participation and Special Concerns Staff

The Public Participation and Special Concerns Staff (PP/SCS) is responsible for aiding the Deputy Under Secretary to fulfill the requirements of

Executive Order 12160. The Order requires that parents, students, and the public have an opportunity to discuss education policies, programs, and procedures.

In FY 1982 the Office of PP/SCS for FY 1982 was given the assignment of changing the organizational structure of the six Special Concerns Staffs within the Office of the Deputy Under Secretary into one major unit reporting directly to the Deputy Under Secretary through its director. The special concerns units described below, continue their traditional field services.

Consumer Affairs Staff

The Consumer Affairs Staff (CAS) coordinates and implements Executive Order 12160. The staff provides oversight on the involvement of parents, students, and citizens in departmental decision-making as required by Sections of P.L. 96-88; and conducts liaison with education, parents, civic, and business organizations, and with other groups which have an interest in education.

In FY 1982, the Consumer Affairs Staff established a Consumer Information Materials System for the distribution of policy-relevant materials to keep constituents informed of policy related events within the Department and their opportunities to participate in these decisions. The Consumer Information System also enables the CAS to continuously update a master mailing list of 670 organizations, since requests for information include an opportunity to note changes in an association's personnel and/or location. The CAS also developed an education community calendar of ED constituent organization meetings at the State, regional, and national levels for planning purposes.

A new Student Liaison Officer (SLO) was recruited and arranged meetings for national and State student leaders with Assistant Secretaries and other Department officials, including a meeting with student leaders and the Under Secretary. The SLO identified statutory requirements for student participation and initiated a report on the status of student participation in ED.

Asian/Pacific American Concerns Staff

The Office of Asian and Pacific American Concerns Staff (APACS) initiates, coordinates, and assists the Department in policy and legislation development, and in the implementation of programs and services affecting Asian/Pacific Americans in the United States and the insular areas.

APACS serves as the Department's official liaison with other Federal agencies on education issues which concern Asian/Pacific Americans.

APACS disseminates information on the Department's policies, proposals, programs, and services to Asian/Pacific American constituents, and provides technical assistance in promoting public participation in education among Asian/Pacific Americans at Federal, State, and local levels.

In addition to the foregoing functions, APACS also initiated and completed a number of specific projects in FY 1982:

- o Postsecondary Education in the U.S. Territories
Section 1204(b) of the Higher Education Act of 1965, as amended by Public Law 96-374, requires the Department to take certain actions in regard to the unique educational needs of the Territories of American Samoa, Commonwealth of the Northern Mariana Islands, Trust Territory of the Pacific Islands and the Virgin Islands.

As a result, an analysis was conducted and a report prepared under contract for the Department by Urban Systems Research and Engineering, Inc. APACS was instrumental in monitoring the contract and setting up an ED task force to review the Department's options and recommendations.

Based on the report and the task force's recommendations, the Secretary submitted recommendations to the Vice President and to the Speaker of the House on July 14, 1982.

- o Study on Asian American - Pacific Islanders Relations
In response to complaints from several Pacific American organizations concerning a number of federally funded Asian/Pacific American programs which failed to serve Pacific Islanders who are residing in the United States, APACS contracted a study on the relations between Asian Americans and Pacific Islanders to the Association for Asian/Pacific American Studies.

The preliminary findings of the report were presented at the 1982 annual conference of the National Association for Asian/Pacific American Education on April 22, 1982.

- o An Assessment of the Department's 8(a) Small and Disadvantaged Business Contracts Programs
This is a joint internal study conducted by the

Black Concerns and Asian/Pacific American Concerns Staff. The purpose of the study is to examine the administration and performance of 8(a) contracting in the Department and to explore ways in which the effectiveness of this program may be enhanced, especially from the standpoint of promoting public participation of special concerns constituents.

Moreover, APACS was assigned the tasks of coordinating regulation review and analysis for DUS/IIA, serving as the Department's representative to the Micronesia Political Status Negotiation Interagency Task Force, and providing technical assistance in 10 Asian/Pacific American education conferences throughout the Nation.

Black Concerns

In FY 1982, the Office strengthened its relationship with 25 of the major national black organizations by disseminating information on departmental initiatives. These included proposed regulations for Chapters 1 and 2 of the Education Consolidation and Improvement Act, student financial assistance, handicapped, migrant, and cooperative education. The Office cooperated with the National Alliance of Black School Educators' Summer Legislative Conference by securing speakers knowledgeable in relevant program areas. Staff attended and participated in eight regional and national conferences of the major organizations on behalf of the DUS/IIA.

Handicapped Concerns

In February 1982, Handicapped Concerns assisted the DUS/IIA, who represents the Department as Co-Chairman of the Interagency Committee on Handicapped Employees. The ICHE approved a report to Congress on the recruitment, placement, and advancement of handicapped employees in the Federal government; it also approved a paper addressing issues of concern to disabled persons in a time of Federal agency staff reductions.

In addition to receiving, for the first time, approval by the EEOC for the Department's 1982 Affirmative Action Report and Plan, Handicapped Concerns assisted ED in the development of policies designed (1) to promote hiring of staff support personnel for visually and hearing-impaired persons during ED's hiring freeze, and (2) to repair special equipment for disabled persons under contracts with vendors of such equipment. In addition, the Department's Question-and-Answer Handbook, outlining policies and programs for disabled persons in ED, was revised and cleared.

Handicapped Concerns assisted the DUS/IIA in the conduct of two briefings for representatives of more than 35 organizations of and for disabled persons. The representatives were briefed in February and June 1982 on ED priorities and on programs of interest to disabled persons. In August 1982, Handicapped Concerns also took the lead in assisting the DUS/IIA in briefing over 300 education associations and organizations on the proposed rules for Part B of the Education of the Handicapped Act (P.L. 94-142).

Handicapped Concerns has also been involved in activities which are increasing opportunities for greater numbers of disabled students to attend postsecondary schools: (1) it prepared and distributed a Resource Guide on the needs of disabled students in postsecondary schools to more than 3,000 persons in the higher education sector; (2) it served on the Higher Education and the Handicapped Resource Center Advisory Board to develop plans and materials for postsecondary officials and students; (3) it worked with ED's Student Liaison Officer to include approximately 300 campus-based organizations of disabled students on that Office's mailing list.

In October 1982 Handicapped Concerns assisted the Secretary of Education in sponsoring an International Year of Disabled Persons Celebration, saluting disabled persons in the arts, sciences, and mass media, recreation, and education. The Celebration included acknowledgments of outstanding education programs supported by the Department at the preschool, elementary, secondary, vocational, postsecondary, and adult education levels, as well as programs involving educational research and technology.

In FY 1982 Handicapped Concerns continued to administer a contract to provide readers and interpreters for blind and hearing-impaired employees for ED Headquarters and Regional Offices. The contract provided services for the 11 regional hearings on the proposed rules for Part B of the Education of the Handicapped Act.

Hispanic Concerns

The main efforts of the Hispanic Concerns Staff in FY 1982 focused on establishing and implementing activities for two networks: the Hispanic Business Network and the Hispanic Student Network. In addition, follow-up activities were conducted for the Hispanic Education Network.

The Business Network identified educators in business nationwide; contacted and encouraged them to join together in an effort to benefit from contract opportunities in ED; provided an opportunity for input on policy issues at meetings with Assistant Secretaries as well as with the Business Utilization office; established linkages with other Federal departments and agencies (i.e., facilitated meetings with White House officials and Minority Business Development Agency and Small Business Administration Directors).

The Hispanic Students Network established communications with 500 university presidents and faculty members designated to serve as liaisons between ED and the universities on behalf of students; brought together the student directors from six regions by means of telephone conferences; sent information packages to the membership of all three Hispanic Networks; facilitated meetings of students and officials at other agencies and Departments (i.e., National Aeronautics and Space Administration, Housing and Urban Development, the White House); fostered student leadership by involving Network students in educational activities during Hispanic Heritage Week and by arranging meetings in ED with officials of all Assistant Secretaries.

Women's Concerns

Among the activities of the Women's Concerns Staff were preparation of an annual revised list of Funding Opportunities for Women's Projects; four resource bulletins on issues of concern to women, and information on State block grant programs; and a revision of the Scholarship and Financial Aid Resource List.

OFFICE OF THE INSPECTOR GENERAL

The Office of the Inspector General (OIG) was established in accordance with the provisions of the Inspector General Act of 1978. Under the Act, the Inspector General:

- o conducts and supervises audits and investigations of Department programs and operations;
- o provides leadership, coordination, and policy recommendations intended to promote economy, efficiency, and effectiveness in the administration of Department programs and operations as well as, to prevent and detect fraud and abuse;
- o keeps the Secretary and the Congress fully informed about problems and deficiencies in Department activities, and the need for and progress of actions to correct such deficiencies;
- o reviews existing and proposed legislation and regulations to protect and enhance the integrity and effectiveness of the Department's programs and operations.

Audit Activities

OIG audit functions are performed by a staff of approximately 180 auditors and other professionals located in Washington, D.C., and in the Department's 10 regional offices. The audit staff represents about two-thirds of the OIG work force and has overall audit responsibility for all Department expenditures.

The magnitude of the audit workload is indicated in part by the 3,572 internal, grant, and contract audit reports issued or processed by OIG in FY 1982.

OIG contributed significantly to the Department's efforts to achieve economy and efficiency. In audit reports completed during FY 1982, OIG questioned or recommended for disallowance costs of about \$176 million. In audit reports resolved in FY 1982, program managers sustained and marked for recovery approximately \$58.6 million of the costs questioned or recommended for disallowance. Auditors also identified one-time avoidable costs of about \$10.2 million and a continuing cost avoidance annually of \$11.6 million. Department managers agreed with OIG recommendations to seek recovery of \$94.6 million which consisted primarily of unneeded advances held by State agencies.

OIG audit reports also included recommendations for improving efficiency and economy and for strengthening internal control mechanisms and procedures designed to prevent fraud and abuse.

Investigations Lead to 129 Indictments

The investigative staff is located in Washington, D.C., and in the 10 regional offices. Investigators review and evaluate allegations of illegal or unethical practices related to Department programs and operations. These allegations come from many sources, including the General Accounting Office, the OIG "Hotline" (which provides a direct line of communication to OIG for confidential reports of suspected fraud, abuse, or mismanagement), State agencies, education institutions, and referrals from the Congress, program officials, and auditors.

In FY 1982, OIG initiated 324 investigations and completed 239. A total of 211 cases were referred to U.S. attorneys; 156 of these were accepted for prosecution. OIG referrals this year combined with prior years' referrals resulted in 129 indictments and 71 convictions in FY 1982.

By far the largest number of OIG's investigations involved student financial assistance programs. Falsification of application documents for loans and grants, and misapplication of student financial assistance funds by institutions, constituted the major types of fraud schemes uncovered.

Controlling Waste and Fraud

Since August 1980, OIG has received 380 Hotline complaints concerning waste and fraud, including 102 referred by the General Accounting Office. To date, a total of 262 complaints have been closed, 51 of which were substantiated. The largest number of complaints (115) were about fraud or abuse involving student financial assistance. The second largest category (89) dealt with suspected fraud in Department grants and contracts.

To heighten employee awareness of the responsibility for prevention of fraud, waste, and mismanagement, OIG issued the second in a series of Inspector General Integrity Guides. This issue of the Guide deals with time and attendance requirements. It cites case histories and resulting actions, and further highlights the responsibilities of supervisors and their staffs.

In accordance with legislative authority under Title 5 U.S.C. Chapter 45, Subchapter II, OIG developed a directive establishing a program for granting cash awards to employees whose disclosure of fraud, waste, or mismanagement results in cost savings for the Department.

President's Council on Integrity and Efficiency (PCIE)

In FY 1982, OIG continued its participation in the initiatives developed by the President's Council on Integrity and Efficiency. The Council was established by the President on March 26, 1981, to coordinate a government-wide attack on fraud, waste, and mismanagement in the conduct of Federal activities. The Council is composed of all Agency Inspectors General, as well as other high-level Federal officials.

This past year, the Department's Inspector General participated in a number of PCIE initiatives, including a computer matching project for identifying Federal employees who have defaulted on student loans, and the establishment of a workable procurement and debarment system for use in Government agencies.

A more detailed report on OIG activities is published semiannually and provided to the Secretary and the Congress in accordance with the requirements of the Inspector General Act. Copies of the report are available to the general public upon request.

OFFICE OF ELEMENTARY AND SECONDARY EDUCATION

The Office of Elementary and Secondary Education (OESE), which in FY 1982 administered 29 separate programs with a budget of \$3.8 billion, is one of the Department's largest and most diverse units.

OESE provided financial assistance to State and local education agencies (SEA's and LEA's) to help maintain and improve preschool, elementary, and secondary education in both public and private schools in a partnership which promotes equal educational opportunities and educational excellence for all children.

Compensatory Education Programs Serve the Disadvantaged

Title I, Elementary and Secondary Education Act, of 1965

Under Title I, OESE awarded \$2.6 billion to local education agencies and \$33 million to State agencies in FY 1982 for neglected or delinquent children in institutions and for compensatory education programs for approximately 5.3 million educationally deprived children. Approximately seven percent of these children were in preschool and kindergarten, 69 percent in grades 1-6, and 24 percent in grades 7-12.

Nine projects totaling \$900,000 were funded to ease the transition of children from State-operated institutions for the neglected or delinquent into locally operated programs.

Follow Through

With awards of \$18.8 million in FY 1982, the Follow Through Program helped 69 school districts provide instructional and related services to 30,000 students, assisted sponsoring institutions in implementing innovative approaches to early childhood education, and supported demonstration and dissemination efforts by funding resource centers. An additional \$600,000 was transferred to the National Institute of Education for research activities.

Migrant Education

In FY 1982, almost \$2.7 million were distributed to 49 States, the District of Columbia, and Puerto Rico under the basic State formula grant program. Identified migrant children enrolled in the program totaled 577,483, an increase of 27,230 over the previous fiscal year. Migrant programs were conducted at 21,954 school sites, an increase of 335.

The Inter-State/Intra-State Coordination program assists State education agencies (SEA's) or a combination of SEA's in establishing or improving projects which meet the special educational needs of migrant children. In FY 1982, 14 States received a total of 24 grants for school year 1982-83, at a cost of \$3.1 million.

In addition, \$5 million were used to support the Migrant Student Record Transfer System (MSRTS). During school year 1981-1982, intensive training programs on the MSRTS were conducted throughout the country. School personnel received information on how to assess and record significant academic and health data on individual migrant children, and collect and transfer secondary school credits for high-school-aged migrant youth. When the new migrant student data record form is completed, more detailed academic and health data will be available to teachers of migrant children.

In FY 1982, the funding level for the High School Equivalency Program (HEP) was \$5,851,200. This amount was distributed to 19 grantees, to help 2,379 students. HEP provides educational, vocational, and support services to enable students to acquire a General Education Diploma, vocational training and placement, or entrance into the military. Usually, 95 percent of the students successfully complete these programs.

The College Assistance Migrant Program funding level was \$1,159,680. This amount was distributed to six grantees for 508 students. Funds were awarded to institutions of higher education to provide first-year undergraduate students with the educational and support services needed for a successful transition from secondary to postsecondary education. Some 90 percent of the students successfully complete their freshman year.

Indian Education

The Indian Education Act of 1972 addresses the special educational and culturally related academic needs of Indian children and adults. The Act:

- o supports supplementary educational services;
- o promotes quality services through program models, curriculum materials, and teaching methods; and
- o promotes self-determination by helping Indian citizens shape and control their own educational programs.

Part A of the Act is the largest and most important component of the Indian Education Programs (IEP). OESE provided over \$50 million for the

entitlement program, making awards to 1,070 public schools and 39 tribal schools that served an estimated 304,000 students. An additional \$4.5 million addressed the needs of 11,000 students in 32 Indian-controlled schools.

Part B is the most versatile of all the Indian Education Act programs. It allows Indian tribes and organizations to target funds where the need is greatest. It also encourages the development of innovative teaching methods and materials that will benefit potentially large numbers of Indian children and increase the number of Indians in the professions. For this program, OESE provided \$14 million. The Office made sixty-six awards for demonstration projects, services to students, and personnel training, to serve an estimated 7,000 students. Fellowship awards went to 154 graduate and undergraduate Indian students who were working toward selected professional degrees. OESE also awarded contracts to five regional technical resource centers to assist local education agencies and other IEP grantees in needs assessment, program design, and program evaluation.

Part C addresses the educational needs of Indian adults by increasing access to basic and secondary education and uses Indian culture to improve the quality of the programs. For this, OESE provided \$5.2 million. Forty-nine awards were made for demonstration and service projects for 15,400 participating adults. An estimated 2,700 of these adults received high school equivalency certificates.

Special Programs and Populations

Block Grants for Improving School Programs

To give State and local education agencies more flexibility in using Federal funds, the Administration proposed and the Congress enacted Public Law 97-35--the Education Consolidation and Improvement Act (ECIA) of 1981.

Chapter 2 of the ECIA was effective July 1, 1982. It consolidated 42 individual elementary and secondary activities into a single block grant to the States and targeted assistance for three general purposes:

- o Basic skills improvement
- o Educational improvement and support services
- o Special projects

State education agencies administer Chapter 2. State allotments are determined by the ratio of a State's school-age population to the school-age population of all the States. SEA's are permitted to retain up to 20 percent of their allotment for their own use. At least 80 percent of the allotment

must be distributed to local education agencies. This distribution is based on relative enrollments in public and nonpublic schools, adjusted to provide higher per-pupil allocation to LEA's having the greatest number and percentage of children whose education costs are higher than average.

In FY 1982, a total of \$437,472,000 was distributed to 50 States, Puerto Rico, and the District of Columbia. Children attending private, nonprofit schools in Missouri and Nebraska received services through contractual arrangements because the States' laws prohibit SEA's and LEA's from providing services to these children.

Most frequently, economic need is used to identify children whose education imposes a higher than average cost. Included in this category are students who qualify for Chapter 1 benefits, students from families receiving aid for dependent children (AFDC) or free or reduced price lunches, and other disadvantaged students in local school districts.

States use their own reserved funds to administer the program, strengthen management capability, and provide direct services to LEA's. Included in the latter is support of curriculum specialists in various disciplines.

Secretary's Discretionary Fund

The Secretary's Discretionary Fund, also a part of Chapter 2, supports three OESE programs:

Inexpensive Book Program. -- The Department renewed its contract with Reading Is Fundamental, Inc., at a cost of \$5.85 million, to continue a nationwide program that gives books to disadvantaged children and encourages them to read. The funds in FY 1982 paid for 7.4 million books, which were distributed to 2.4 million children in all 50 states. The program received help--volunteers and money--from the private sector, with more than 100,000 volunteers participating in FY 1982.

Arts in Education Program. -- This program stimulated the integration of the arts into the education system by bringing together school and community art resources. Awards totaling \$2,025,000 in FY 1982 included those to the National Committee on Arts for the Handicapped and the John F. Kennedy Center for the Performing Arts.

Alcohol and Drug Abuse Education Program. -- This program's Regional Training and Resource (T&R) Centers assisted SEA's and LEA's in developing intensive 2-week training programs and follow-up technical assistance for interdisciplinary teams from 109 secondary schools. In addition, 475 school teams received field training.

With \$2.8 million in FY 1982, over 260,000 young people and 8,400 education personnel benefited from training in alcohol and drug abuse prevention, and studying problems such as truancy, school violence, dropouts, and runaways. Six Regional T&R Centers, a National Data Base, and a Program Support Project made up the national training system.

Because of the successful "school-team" approach to integrating parents, students, educators, and the community in drug and alcohol abuse prevention programs, the Department's efforts were included in the President's Federal Strategy for Prevention of Drug Abuse and Drug Trafficking in FY 1982.

Educational Support Programs

Impact Aid

The Impact Aid Program assisted local education agencies serving 337,000 category "A" children who resided on and whose parents worked on Federal property or were in the uniformed services, and 1,737,000 category "B" children who resided on or whose parents worked on Federal property or were in the uniformed services. In FY 1982, a total of \$438.5 million was distributed directly to local education agencies for the education of these children.

During FY 1982, OESE funds assisted 58 school districts in 11 States in restoring disaster-damaged facilities. In addition, 24 projects handled emergency repairs for federally owned school buildings. Funds were also obligated for one new school construction project, and funding levels were increased for six ongoing school construction projects for children who live on Indian lands.

Career Education

The Career Education Program assisted SEA's, LEA's, and other institutions in making career education an integral part of elementary and secondary education. The program awarded approximately \$9.6 million for this purpose during FY 1982. It emphasized career education for the young through increased collaboration between the LEA's and community-based organizations to encourage integrating career education in school curriculums. Funds were also used to identify and disseminate career education publications.

Law-Related Education

The Law-Related Education Program awarded \$960,000 to support eight projects begun in FY 1981 and seven new FY 1982 projects. The emphasis was on giving intensive technical assistance to schools that wanted to establish new or strengthen existing law-related education programs.

These programs teach high school students the American legal system and the principles on which it is based. They also assist youngsters in understanding their responsibilities as citizens through interaction with community officials, mock trial competitions, tours of courthouses and prisons, and student internships with civic agencies.

Two other educational support programs, Ellender Fellowships and General Assistance to the Virgin Islands, provided \$960,000 and \$1,920,000, respectively, for special populations.

Equal Education Opportunity Programs

Title IV, Civil Rights Act of 1964

Title IV programs assisted public schools in their efforts to solve educational problems related to desegregation on the basis of race, sex, and national origin. In FY 1982, \$24 million was available for awards to 30 State education agencies and 17 regional desegregation assistance centers (DAC's) to assist in race desegregation; and to 28 SEA's and 11 DAC's for national origin desegregation assistance. School districts receive this help in either training or technical assistance, by requesting it from their SEA or the regional DAC designated to serve their State. To emphasize the importance of SEA involvement in equity training and technical assistance, OESE made no direct grants to school districts or awards to university-based training institutes in FY 1982.

Women's Educational Equity Act Program

The Women's Educational Equity Act (WEEA) Program awarded \$5.76 million in FY 1982 to support model projects in five priority areas: (1) Title IX compliance; (2) educational equity for racial and ethnic minority women; (3) equity for disabled women; (4) projects to influence educational leaders; and (5) projects to eliminate persistent barriers to educational equity for women.

The WEEA Publishing Center, funded under contract, publishes and disseminates the products of WEEA grants. Contracts were also awarded to establish National Demonstrations of Educational Equity in five school districts which have started comprehensive sex-equity programs based on WEEA products.

Enhancing Quality

OESE continued to support the development, recognition, and promotion of exemplary education practices. A number of OESE-funded projects were submitted in FY 1982 to the Department's Joint Dissemination Review Panel (JDRP) with five Title I projects cited as exemplary.

A major effort got underway to identify and increase the number of high-quality, low-cost Chapter 1 (formerly Title I) projects and to assist SEA's in developing a system to disseminate information about these projects.

Evaluation

Evaluation of several OESE programs continued or was completed in FY 1982. The Sustaining Effects Study on the achievement of Title I students--initiated in 1975--indicated that grades 1-3 students made greater strides in reading than non-Title I students in the same grades.

Although Title I students in grades 4-6 maintained their level of achievement, they did not do significantly better in reading than non-Title I students. In mathematics, Title I students made greater gains than non-Title I students in grades 1 through 6.

Two studies of Title I management and administrative practices continued: the District Practices Study describes how Title I is implemented at the local school district level and identifies and documents successful practices in serving students in the program; A Study of State Management Practices also describes administrative practices of Title I, but is directed toward examining State-level practices.

The recently completed study, "The Impact of Programs and Projects Funded Under Part B and C of the Indian Education Act," indicated that early childhood education and career and curriculum development made the greatest impact. Part B projects were most effective where a large percentage of unemployed Indians were located, where bilingual needs were not paramount, and where there was a low percentage of poverty. Strong community support was identified directly with program impact. Unemployment was still a critical problem where the average was over 50 percent. The study found that 39 percent of Indian adults had not moved beyond elementary school and only three percent have gone on to college.

"The Tracking of Higher Education Students," supported under the Indian Education Act, was completed in FY 1982. It pointed out that Indian students are older--27 years--than most students when they enter programs of higher education. The Fellowship program boasted a 68.8 percent completion rate for degrees earned, compared to 18 percent for all Indian undergraduates. After graduation 96.5 percent of these students were employed.

Easing the Burden of Regulations

In keeping with the Administration's efforts to reduce the Federal rules and paperwork requirements on State and local education agencies and other institutions receiving Federal assistance, OESE reviewed numerous program regulations in FY 1982.

Final regulations were published for Consolidated Grant Applications for Insular Areas on April 22, 1982. An amended list of affected programs was needed in the regulations because some programs were folded into block grants under Public Law 97-35, Chapter 2, ECIA. The regulations also clarified provisions on eligibility, waiver of matching funds, and carryover funds.

Regulations for two major OESE programs were promulgated under the Education Consolidation and Improvement Act of 1981. These were: Chapter 1, ECIA, Grants to Local Education Agencies To Meet the Special Educational Needs of Disadvantaged Children; and Chapter 2, ECIA, Consolidation of Programs for Elementary and Secondary Education (Block Grants). These regulations are scheduled for publication in FY 1983. Chapters 1 and 2 eliminate many Federal requirements and leave distribution of funds to the discretion of the State, complying with the Administration's goal of burden and paperwork reduction.

OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES

The Office of Special Education and Rehabilitative Services (OSERS) assists in the education of handicapped children and the rehabilitation of disabled adults and conducts research to improve the lives of the handicapped, regardless of their age.

Support Services

The Office of External Affairs provides general direction and support to two components: the Office of Information and Resources for the Handicapped, including the Clearinghouse on the Handicapped, and the National Council on the Handicapped.

The Office of Information and Resources for the Handicapped

The Office made 10 grants to institutions for the training of interpreters for the deaf and to upgrade the skills of those already trained. Grant funding totaled \$900,000.

Clearinghouse on the Handicapped

The Clearinghouse provided expertise on information systems and resources to other OSERS units, published the 1982 edition of the Directory of National Information Sources on Handicapping Conditions and Related Services and responded to inquiries on a wide range of topics concerning the handicapped. Its bimonthly publication Programs for the Handicapped reported on all Federal activities affecting handicapped individuals.

The National Council on the Handicapped (NCH)

The Council reviews and evaluates Federal policies, programs, and activities concerning the handicapped and establishes general policies for the National Institute on Handicapped Research.

The National Council submitted its Annual Report in March 1982.

The International Year of Disabled Persons (IYDP)

Federal involvement in the IYDP was coordinated by the Federal Interagency Committee under the joint chairmanship of the Departments of Education (OSERS), State, and Health and Human Services, and was supported by the White House, Congress and the Nation at large. OSERS housed a staff of five to offer technical assistance to all Government agencies in their assessments of opportunities for handicapped persons served from Federal resources.

March of 1982 formally ended the International Year of Disabled Persons. The staff prepared a final report which highlighted the accomplishments of all Government agencies toward the goals of IYDP, and presented awards for exemplary achievement. Residual staff were asked to represent the United States at the final Advisory Committee meeting of the United Nations in Vienna.

OSERS' three major components are: Special Education Programs (SEP), the Rehabilitation Services Administration (RSA), and the National Institute of Handicapped Research (NIHR). The Office administered more than 20 programs at a funding level of more than \$2.1 billion in fiscal year 1982. More than five million children and adults received the benefits of these programs.

OFFICE OF SPECIAL EDUCATION PROGRAMS

Programs administered by the Office of Special Education are authorized by the Education for All Handicapped Children Act of 1975 (P.L. 94-142) and other Federal legislation designed to enhance educational opportunities for the Nation's handicapped youth.

Congressional appropriations for education for the handicapped have grown from about \$1 million for personnel training in 1958 to more than \$1.2 billion for a variety of programs in FY 1982. While the monetary commitment has increased over a period of decades, some of the most dramatic changes have occurred since Public Law 94-142 went into effect in 1976. Since that time, States and localities have made important gains not only in locating and identifying handicapped children but also in developing programs which offer these children a free, appropriate public education.

A significant amount of effort was focused on the review of P.L. 94-142 regulations in response to the Executive Order issued by the President requiring the Federal government to reduce the burden and cost of existing and future regulations, with revised regulations proposed in FY 1982 for public comment.

In FY 1982 States continued to show improvement in the delivery of special education services. A total of \$1,052,125,000 in Federal funds benefited more than 4.2 million handicapped children through three formula grant programs: Handicapped State Grants, Preschool Incentive Grants, and Title I-State Administered Programs. Particularly noteworthy changes over the past year include an expansion of programs for secondary-level handicapped students, expansion of secondary placement options for seriously emotionally disturbed children, and the development and improvement of vocational education services, particularly for mildly impaired students.

Program Highlights

The Office of Special Education Programs (SEP) also administers 10 discretionary programs at a level of \$125,731,000 to support States' efforts to ensure all handicapped children a free, appropriate public education as mandated by P.L. 94-142. These programs focus on personnel preparation, early childhood education, education for the severely handicapped, vocational and adult education, and media and technology. The discretionary programs complement SEP's administrative efforts to meet the mandate of Public Law 94-142.

For FY 1982, \$43,500,000 was awarded for preservice training of 5,500 special education teachers and 1,200 support personnel, and for inservice training of more than 59,000 special education and regular classroom teachers.

Other discretionary programs include the Early Childhood Education Program which develops and demonstrates experimental education practices effective with very young handicapped children; The Regional Postsecondary Program which helps handicapped persons to benefit from technical-vocational, postsecondary, or adult education; and programs designed for severely handicapped and deaf-blind children. In all, over 125 demonstration projects were supported, providing services to approximately 3,000 handicapped children who participated in the projects.

In addition, SEP supports a broad range of research activities. In field-initiated research, \$5,000,000 supported 60 projects to develop innovative ideas; approximately \$250,000 were awarded under the student research component; \$1,000,000 were used for directed research projects; and approximately \$3,000,000 supported long-term programmatic research projects in the area of early childhood education in learning disabilities.

Another major focus of activity in SEP is on media services and captioned films for the deaf. Recent advances in media and communication technology offer great promise to the handicapped. Approximately \$17,000,000 supported programs designed to develop, adapt, and disseminate innovative applications of education media, materials, and technology for the handicapped, ranging from closed-captioned television for hearing-impaired students and recordings for blind students to the development of videodiscs and microcomputers for applications of this technology to instructional program models for handicapped children.

REHABILITATION SERVICES ADMINISTRATION

The Rehabilitation Services Administration oversees programs which assist physically or mentally handicapped individuals to obtain employment and live independently through counseling, medical and psychological services, job training, and individualized services.

The largest program awards grants to State vocational rehabilitation (VR) agencies to support vocational rehabilitation for severely handicapped persons. RSA provides 80 percent of the funding for these State programs.

Estimates indicate this will be the fifth consecutive year that the lifetime earnings for persons rehabilitated through the State-Federal rehabilitation program will have a benefit/cost ratio greater than 10:1 for every dollar spent on services. On the whole, State rehabilitation agencies have been successful in maintaining this benefit/cost ratio. Estimates also show that rehabilitation results in more than a \$280 million increase in tax payments to all levels of government and reductions in public dependency in the first year after rehabilitation is completed.

Program Highlights

The Helen Keller National Center for Deaf Blind Youths and Adults demonstrates the value of specialized services, training, research, and public education to rehabilitate persons who are both deaf and blind. In FY 1982, the Center continued to serve more than 950 blind persons nationwide and significantly expanded training programs for resident deaf-blind clients.

The Rehabilitation Services Administration supports nine special grant programs to assist the severely disabled in their vocational and independent living rehabilitation efforts and to ensure an adequate supply of skilled rehabilitation personnel. Fiscal year 1982 grant activities emphasized projects which enhance State vocational rehabilitation agency activities for the severely disabled.

The Special Projects and Demonstrations program expands and improves rehabilitation services for severely handicapped individuals. In FY 1982, eleven projects were continued at a cost of \$4,014,455 in the following categories: general, mental illness, mental retardation, rheumatoid arthritis, cerebral palsy, multiple sclerosis, and epilepsy. Seventeen other projects of national and regional scope were continued in fiscal year 1982 in the area of spinal cord injury at a cost of \$4,831,545.

Through a program serving handicapped migrant workers, State rehabilitation agencies provide vocational rehabilitation services under projects which serve handicapped migratory and seasonal farm workers. Due to the high mobility of the client population, service delivery cannot always be provided in

the traditional manner, and other methods have been developed and demonstrated. In FY 1982 approximately 3,500 people were served by 16 projects costing \$951,000.

Handicapped American Indians are served under a new program funded for the first time in FY 1981 and continued into FY 1982. A grant for \$624,000 was made to the Navaho Tribe to establish a vocational rehabilitation service program for the disabled living on the Navaho Reservation.

Client Assistance Projects provide ombudsmen who work directly with clients and State vocational rehabilitation officials. Approximately 8,000 persons were served by these 16 projects at a cost of \$942,000 in FY 1982.

Fiscal year 1981 was the first year in which Recreational Services Grants were made to provide programs for the handicapped in this area and to construct demonstration facilities to make these activities fully accessible to the handicapped. A total of 25 projects were funded for \$3,000,000. In FY 1982, 23 projects were funded for \$1,884,000 to initiate recreational programs for severely handicapped persons.

Under Projects with Industry in FY 1982, an additional 15 projects were funded at a cost of \$7,510,000 to develop training projects with industry that succeeded in placing 7,500 severely disabled persons in competitive employment.

Rehabilitation Training Grants ensure that skilled professionals are available to provide vocational rehabilitation services to severely handicapped people. Three hundred and one projects were supported at a cost of \$19.2 million in 1982 and helped train medical specialists, mobility instructors for the blind, rehabilitation counselors, facility administrators, vocational evaluators, job development and placement specialists, and interpreters for the deaf, among others. Overall, the program trained over 6,366 skilled professionals in 1982.

NATIONAL INSTITUTE OF HANDICAPPED RESEARCH

The National Institute of Handicapped Research (NIHR) conducts research programs to improve rehabilitation services.

Planning for Rehabilitation

NIHR is mandated to prepare a long-range plan for research on the rehabilitation of handicapped individuals, coordinated with other Federal agencies. An OSERS-wide Conference (SAHEL-LINK; formerly Participatory Planning) is being prepared in support of this aim.

Incorporating planning initiated in FY 1982, the Conference will seek the participation of OSERS's broad constituency in a reconsideration of the long-range plan. A model for rehabilitation research is being developed to stimulate the production and increase the quality of information required for NIHR's priority setting and research planning processes.

Coordinating Handicapped Research

Charged with coordinating the handicapped research efforts of all Federal agencies, the Interagency Committee on Handicapped Research (ICHR) has representatives from 20 Federal agencies.

The ICHR's subcommittees on low vision, deafness and hearing impairment, and demographics, meet regularly.

Thirty-three Federal agencies have been identified as performing research in the field of rehabilitation for handicapped individuals, and the process of developing a government-wide data collection system in this area has begun. The database will be readily accessible to public and private agencies and individual researchers interested in rehabilitation research.

Program Operations

During FY 1982, the total NIHR program budget was \$28,560,000. These funds were used for: (1) Research and Training Centers, \$15,642,819; (2) Rehabilitation Engineering Centers, \$8,154,226; (3) Research Program Administration (Research and Demonstration projects), \$1,778,594; (4) Research Utilization and Dissemination, \$2,008,099; and \$976,262 for other support and special activities.

Research and Training Centers

The NIHR funded 26 Research and Training Centers (RTC's). Five examples highlight recent research activity.

- o Consumers and parent groups have been involved in psychosocial research and training focused on problems of adjustment to low vision.
- o A study of the community adjustment of recently deinstitutionalized psychiatric patients and the use of the family as a treatment resource was carried out with the aim of improving services while decreasing the role of hospitalization.

- o A comprehensive rehabilitation program for chronic psychiatrically disabled persons was developed along with improved assessment techniques for this population.
- o A Systematic Interviewing Skills Training Package was developed for individuals charged with the responsibility for interviewing in the fields of rehabilitation, mental health, counseling, education, medicine, and sociology.
- o Both the development of independent living service components, services, and service delivery systems and the improvement of self-help technology was studied in support of new options in independent living.

Rehabilitation Engineering Centers

The National Institute of Handicapped Research funded 17 Rehabilitation Engineering Centers (REC's) in FY 1982. Two examples highlight recent research results:

- o Harvard and the Massachusetts Institute of Technology jointly operate a REC in Boston which addresses techniques for the measurement of pathological neuromuscular and musculoskeletal performance. A muscle fatigue monitor has been developed which measures the functional state of muscles by noninvasive methods and yields fundamental data on the state of muscle fatigue in therapeutics, workplace, or surgical reconstruction activities. Another major result of research activity has been an increased capacity to quantify neuromotor dysfunction. This work has been targeted on the performance of handicapped children whose dysfunction primarily stems from neuromuscular disorders such as cerebral palsy and myelomeningocele.
- o The Cerebral Palsy Research Foundation of Kansas, Inc., at the Wichita Rehabilitation Center, has developed, fabricated, and distributed the Available Motions Inventory Test apparatus to private industry and State agencies. This Inventory is used in the development of simulated job stations and in the evaluation of the severely disabled potential for work. This includes the development of adaptive work stations to allow persons with dexterity in their feet rather than in their hands to operate certain hardware.

Research and Demonstration Projects

The NIHR funded 12 Research and Demonstration (R&D) projects in FY 1982. Ongoing research activities include the following:

- o Parental involvement in roles currently filled almost exclusively by highly trained professionals is being explored in a project in prenatal risk factor/early intervention.
- o By the end of 1982, the Management Control Project (MCP), an innovative approach to the management of vocational rehabilitation service delivery, was being tested in three States. The MCP has promoted more accountable independent functioning of counselors in vocational rehabilitation programs.
- o Comprehensive training packages were developed to help rehabilitation counselors assess client functioning in such areas as recreation, personal care, and mobility.

Research Utilization and Dissemination

The NIHR funded nine Research Utilization and Dissemination projects in FY 1982. Accomplishments in this area include:

- o A publication providing a technical assessment of aids and appliances available nationally and internationally for the blind and visually handicapped.
- o The integration of a data base on rehabilitation equipment (ABLEDATA) with the National Rehabilitation Information Center (NARIC) data base on rehabilitation research.

International Programs

International rehabilitation research within the National Institute of Handicapped Research constitutes a multipurpose program provided by Section 204(b)(5) of Public Law 95-602. Activities in eight countries were supported by excess foreign currencies maintained by U.S. embassies in those same countries.

As a followup on the "International Year of Disabled Persons (IYDP)," 1982 has been designated the "National Year of Disabled Persons." Reports on "IYDP" progress in relevant international conferences have been stimulated.

NIHR has been involved in the organization of seminars in Lahore, Pakistan, and in the Caribbean; it has participated in conferences in the United Kingdom, Austria, Yugoslavia, and Tunisia.

Highlights

- o In support of the President's Caribbean Basin Initiative, two joint NIHR/IBM workshops were held on "Expanding Access to Knowledge, Information and Technology to Prevent Disability and Benefit Handicapped People" -- the first in San Jose, Costa Rica, and the second on St. Lucia, in the Windward Islands.
- o SEP/NIHR, in cooperation with UNESCO, sponsored an International Symposium on Services for Young Disabled Children, Their Parents, and Families. Bringing together experts from 11 different developing countries to discuss early identification of disability in children, participants developed guidelines that countries could use to initiate new programs or expand existing ones.

Special Activities

- o A conference was held to provide information about NIHR activities and funding sources in OSERS to representatives of Historically Black Colleges. The conference supported the President's and Department's initiatives for Historically Black Colleges.
- o An interagency meeting of subject experts was arranged to obtain their responses to a monograph, The Family and Disability, prior to publication and distribution. A comparison of U.S. and French law pertaining to children's welfare was another substantive focus of the meeting.

OFFICE OF BILINGUAL EDUCATION AND MINORITY LANGUAGES AFFAIRS

By assisting State and local governments in building their capacity and resources for special instructional services for limited-English-proficient students, the Office of Bilingual Education and Minority Languages Affairs (OBEMLA) seeks to further the development of students' English-language skills, enabling them to participate more effectively in all English-medium classrooms.

Program Operations

OBEMLA administers bilingual education programs and activities authorized under Title VII of the Elementary and Secondary Education Act, as amended. These programs award discretionary grants to local education agencies for capacity-building and demonstration projects, to institutions of higher education, and to other eligible recipients for training activities, support services, and contracts for research, evaluation, and dissemination activities.

OBEMLA also assists refugee children with funds authorized by the Immigration and Naturalization Act, as amended by the Refugee Act of 1980. Funds for this program are distributed by formula grants based on numbers of refugee children enrolled in schools in a State. Similarly, assistance for Cuban and Haitian entrants is authorized under the Refugee Education Assistance Act. Bilingual vocational programs are authorized under the Vocational Education Act, as amended. They provide students with occupational training and job-related English-language skills, train bilingual vocational instructors, and support development of curriculum materials.

In FY 1982 a total of \$134 million was awarded for Title VII programs. The major portion of this amount -- \$69 million -- went to support capacity-building education projects in local school districts. In support of these projects, OBEMLA awarded \$21.5 million for the professional development of instructional staff and other personnel. Remaining grants and contracts under Title VII were awarded for direct or indirect support of local education activities.

OBEMLA awarded approximately \$3.9 million in FY 1981 funds for the bilingual vocational training, bilingual vocational instructor training, and bilingual vocational instructional materials development projects which become operational in the 1982-83 school year. States received approximately \$56.7 million for refugee and Cuban and Haitian entrant children in FY 1982, for school years 1981-82 and 1982-83.

Accomplishments

During FY 1982 five goals dominated OBEMLA activities and operations.

Improving Program Effectiveness

The Department proposed legislative amendments to Title VII that would strengthen program management and give priority funding to projects which serve children who are both limited-English-proficient and whose usual language is not English. The new provision clarifies a priority in the target population to improve the effectiveness of OBEMLA programs.

Another proposal in the amendments to Title VII would enable the Department to fund vocational training for out-of-school youth and adults who have limited English proficiency. These changes would be consistent with the program authorized under the Vocational Education Act of 1963 and administered by OBEMLA.

During FY 1982 OBEMLA considered the legal and policy implications of consolidating three types of support-service projects into single multifunctional resource centers. While providing a similar range of services to school districts, the new centers would be more efficient, more cost effective, and fewer in number than the previous network.

The Office of Inspector General's (OIG) multi-State review of Title VII programs continued. During FY 1982, a number of legal and policy issues were identified and clarified by the Department and communicated to staff as well as the field. In addition to assisting the Department in final audit determinations, OBEMLA took steps in FY 1982 to provide guidance and technical assistance on policy issues, and to increase and improve staff training and project monitoring.

The Bilingual Education Fellowship Program Credit Management System was implemented to track Title VII fellowship recipients who, according to the statute, must either complete service requirements or refund the Fellowship amount. The Office of Financial Management maintains the credit management system.

Increasing Local Flexibility in Program Design

The Department proposed amendments to Title VII, ESEA, to provide for increased local flexibility in designing programs to serve limited-English-proficient children and for building the capacity to serve their needs. Current law precludes funding Title VII projects which do not use the children's native languages to some extent. The proposed amendments

would allow the Department to fund whatever educational approach a school district determines to be best, as long as it meets the special educational needs of the target population and can be justified as appropriate by the school district.

Broadening Communication with Field Practitioners

During FY 1982 the Office made a concerted effort to expand communications with various groups, localities, organizations, and individuals that previously had not been closely involved with OBEMLA's programs and policies, or had not had direct communications with OBEMLA. In addition, individuals representing Pacific Islanders, Native Americans, and State education agencies attended OBEMLA meetings to advise on special needs and new directions in program activities affecting their interests.

Improving Technical Assistance

In an effort to help State and local education agencies increase efficiency, OBEMLA sponsored a number of conferences in FY 1982, including workshops for recipients of Title VII fellowships, bilingual vocational training and bilingual vocational instructors, training grant recipients, and State refugee education coordinators.

In FY 1982 the National Clearinghouse for Bilingual Education (NCBE) fulfilled 84,000 requests for information, 43 percent of them from school personnel. It provided information for 51 language groups and for professionals interested in English as a second language. The newsletter, *Forum*, was mailed to 202,000 readers, and training in computer searching of information resources was provided to Title VII Service Centers and State education agencies.

Expanding Research and Information Base

Part C of the Bilingual Education Act funded studies to determine the need for bilingual education, to improve services to those with limited-English-proficiency, and to improve Title VII program management. The appropriation for Part C studies was \$5.2 million in FY 1982. Twenty-one studies were continued and four new studies were funded.

The following five studies were completed in FY 1982:

The "Inservice Training Needs for Language Teachers in Puerto Rico" presented an in-depth description and analysis of the competencies and training needs of

elementary and secondary level teachers in Puerto Rico who teach students who are limited-English-proficient and limited-Spanish-proficient. This study offered recommendations which the Puerto Rico Department of Education proposes to implement to assist teachers and other instructional personnel in serving students.

The "National Longitudinal High School and Beyond: Hispanic Supplement (Base Year)," funded partially by OBEMLA with Part C funds, investigated approximately 2,100 sophomore and approximately 1,900 senior Mexican American, Cuban, Puerto Rican, and other Latin American students. The study results focus on demographic characteristics, language use, and academic achievement of the students.

The "Study of the Inservice Training Needs Assessment Activities and Procedures in title VII Basic Bilingual Education Programs" is a technical assistance manual for Title VII grantees who must conduct comprehensive needs assessments of their instructional staffs. It also includes numerous recommendations for conducting year-round, inservice training to improve staff effectiveness in teaching limited-English-proficient students.

The "Study to Determine the Feasibility of Adopting Head Start Evaluation Strategies to title VII Contexts" includes a synthesis of current Title VII and Head Start legislation and rules and regulations that relate to evaluation. It also includes a descriptive analysis and synthesis of four major national-level evaluations of Head Start and one similar evaluation of Title VII, and evaluation design recommendations related to national impact studies of programs like Title VII.

The "Capacity Building Study" is a technical assistance monograph for Title VII grantees. It includes four case study descriptions of local education agencies (LEA's) which had been successful in building their capacity to serve limited-English-proficient students with Title VII funds. It also includes guidelines which LEA's may use to promote capacity-building efforts.

The Department began developing a new research agenda in FY 1982 under its interagency, Part C Bilingual Coordinating Committee.

The NACBE

The National Advisory Council on Bilingual Education (NACBE) has 15 members appointed by the Secretary to advise on regulations, policy, administration, and operation of programs for those with limited-English proficiency. Eight new Council members were sworn in by the Secretary on September 30, 1982.

OFFICE OF VOCATIONAL AND ADULT EDUCATION

Through its many programs, services, and activities, the Office of Vocational and Adult Education (OVAE) assists the States in training youths and adults for work and in providing adults with basic skills. By keeping current with the changing needs of business and industry, vocational education contributes to productivity and economic development through youth training, retraining programs for adult workers, and programs which emphasize sex equity and equal educational opportunity. Adult education teaches adults basic skills, and helps them to obtain a high school diploma or its equivalent.

Reauthorization of the Vocational Education Act

Authorization of the Vocational Education Act, scheduled to end on September 30, 1981, was extended for two years by the Omnibus Budget Reconciliation Act of 1981. The Administration submitted a proposal to the Congress to consolidate the Vocational Education Act and the Adult Education Act, but the proposal was not enacted in the 97th Congress.

Deregulation

As part of a Department-wide effort to reduce the burden of excessive regulation, a review of existing regulations under both the Vocational Education Act and the Adult Education Act was completed in FY 1982. Deregulation packages were being readied for Federal Register publication and public comment at the close of the fiscal year.

Conserving Resources

OVAE was able to reduce the amount of its Salary & Expenses (S&E) disbursements during FY 1982 by consolidating staff functions and eliminating positions in two branches. Additional S&E resources were conserved through multipurpose travel. Diligent monitoring of contracts and grants and resolution of audits have resulted in the recovery of certain other unnecessary or inappropriate Federal expenditures.

National Task Force Initiatives

During FY 1982 OVAE conducted special initiatives that focused on relevant national needs. This effort involved the following three task forces.

The Task Force on Entrepreneurship Education made progress in its mission of introducing entrepreneurial instruction into all vocational and adult education programs, completing the first of a two-stage operational plan. This included establishing an entrepreneurship education network, developing a Department of Education policy statement and a Request For Proposal, and convening a special meeting of experts to advise the Task Force. The second stage will place new emphasis upon incorporating entrepreneurship-oriented activities in the administration of all OVAE programs.

The Private Sector Task Force developed both a short- and long-term initiative to alleviate the critical shortage of qualified workers by promoting collaborative efforts between education institutions and private organizations. The long-term initiative will include "preventive action" to address future national needs for qualified workers. This "preventive action" includes plans to establish a national coalition of private sector organizations which will establish training programs to assure the availability of a skilled workforce.

A Task Force on Defense Preparedness and Vocational Education identified the contribution of vocational and adult education to defense preparedness and encouraged cooperation between vocational educators and the military services. Over 250 people attended a seminar on vocational education sponsored by the Departments of Defense and Education which highlighted current exemplary instances of cooperation between the services and the vocational training community.

VOCATIONAL EDUCATION

In FY 1982, an estimated 17 million students nationwide benefited from Federal funding of vocational education. More than \$685 million in Federal funds were appropriated in FY 1981 for use in school year 1981-82. State and local funding for vocational education has traditionally exceeded Federal funding by a ratio of 10 to 1.

Management Assistance Program Provides Technical Assistance

Ten Vocational Education Management Reviews were conducted by OVAE during FY 1982. Of major significance during this period was the shift in emphasis regarding the conduct of the reviews. Technical assistance was emphasized more than compliance monitoring in interaction between OVAE and State officials.

OVAE used the results of its own reviews and the self-assessments of the States to provide customized technical assistance teams to work with State officials. Assistance focused mainly on 24 statutory requirements targeted as problems for the States and on certain other administrative and programmatic issues identified by the States through comprehensive self-evaluations.

OVAE continued technical assistance to States in the following vocational program areas: agriculture, cooperative education, consumer and homemaking, trade and industrial, distributive education, health, industrial arts, technical education, and business and office. Technical assistance was also provided for the disadvantaged, handicapped, and sex equity programs.

A national workshop on Bridging the Gap Through Supervised Occupational Experience Program for vocational agriculture educators was unique among the many OVAE technical assistance efforts because of the financial support from private business and industry, as well as State and local agencies. The private sector was involved along with State and local educators from the early planning through the conduct of the workshop and followup activities. This kind of support enabled OVAE to make a major impact on a national program with limited staff while conserving fiscal resources.

Audits

OVAE received 13 final audit reports in FY 1982. As the fiscal year closed, two of these final audits were resolved, three were put on "administrative hold" for further audit work, and three others were in final draft form awaiting General Counsel clearance before issuance. The remaining four were being reviewed or were awaiting further response from State agencies.

The most common audit findings during this fiscal year included the use of retroactive accounting adjustments beyond the Tydings Amendment 27-month period of obligation, the lack of proper time-distribution records for salaries chargeable to more than one grant program, and the use of procedures to distribute funds to eligible recipients which were not covered in the State plans.

Sex Equity

In carrying out Federal law and State policy, OVAE activities and State efforts have emphasized expanding career options for both men and women. Eliminating sex bias and sex-role stereotyping which limit these options is a major OVAE focus. Efforts to encourage enrollments in nontraditional vocational courses have increased enrollment of women in agriculture, technical, and trade-industrial occupational courses, and enrollment of men in health occupations, home economics, and business and office courses.

A national leadership conference was held for State Vocational Education Sex Equity Coordinators on improving opportunities for women under the Vocational Education Amendments. The conference also considered sex equity in vocational education as an issue in the revitalization of the American economy.

A sex equity research project addressing the occupational segregation of women was funded in FY 1982 in coordination with the Department of Labor and the Carnegie Corporation.

Serving Special Needs Students

OVAE has continued to encourage the States to provide vocational education to handicapped and disadvantaged students in the least restrictive environment. The most recent data available indicate that more than 70 percent of the handicapped students in vocational education were in mainstream programs. These data indicate that States have continued to expand and improve the support services available to handicapped and disadvantaged students in these programs.

Improving the Quality of Vocational Education Programs through Research and Development

For FY 1982, for all research and development, \$7,477,000 was appropriated together with an additional \$358,073 made available from the Smith-Hughes permanent appropriation.

The support of National Significance Programs, involving an extended cooperative effort between OVAE staff and the States and Territories, is intended to improve the quality of vocational education by example and replication. The enhancement of State capacities for dissemination and replication is supported in turn through funding of the following systems: the data dissemination network of the National Occupational Information Coordinating Committee -- which this year updated and distributed the Educational and Occupational Code Crosswalk; the National Center for Research in Vocational Education; and the six Curriculum Coordination Centers, which continued to function as the national and regional components of a communication, dissemination, and utilization network coordinated by OVAE for program improvement staff in the States and Territories.

These funds also were used to begin three new projects and to continue 17 projects from 1981. The scopes of work of these contracted projects included: (1) developing competency-based modules to infuse energy conservation activities into vocational programs, improving the related instruction of apprentices (cooperatively with the Department of Labor), improving occupational safety and health (cooperatively with the Occupational Safety and Health Administration), and training energy technicians; (2) identifying and working with teams at the local level for economic development, vocational guidance, and entrepreneurship; and (3) encouraging the use of volunteers and raising productivity consciousness in vocational education.

Education and Commerce

In November 1981, OVAE and the Minority Business Development Agency, U.S. Department of Commerce, in support of comprehensive entrepreneurship and business management education, signed an interagency agreement which includes an awareness of the particular needs of minority individuals. As a result of this agreement, a jointly sponsored contract was awarded to Oklahoma State University to promote economic development through entrepreneurship education and training. This two-year project will increase entrepreneurial activities among vocational graduates and increase the effectiveness of minorities as entrepreneurs and small business owners. Project activities include a national conference of business entrepreneurs, minority business owners, vocational educators, and State/Federal representatives. In addition, 20 local training seminars will be conducted throughout the country to promote entrepreneurship skills training in vocational programs.

Identifying Outstanding Vocational Education Programs

Awards for outstanding vocational programs in FY 1982 involved an intensive nationwide search followed by an onsite review of the programs identified as exemplary by each State under the supervision of the ten ED Regional Offices. The programs which received awards from the Secretary ranged from petroleum production to water-utilities technology training.

Rural Education

The Assistant Secretary for Vocational and Adult Education chairs two committees on rural education established in FY 1982. The first of these is the Intra-Agency Committee on Rural Education, which has established continuing linkages with the Rural Education Association, the American Association of School Administrators Rural/Small Network, the ERIC Clearinghouse on Rural Education and Small Schools, the Federal Interagency Committee on Education, the U.S. Department of Agriculture, and several other agencies and organizations.

The second committee is the Inter-Departmental Subcommittee on Rural Education of the Federal Interagency Committee on Education (FICE). This subcommittee has four immediate responsibilities for FY 1983: (1) preparing a consolidated report on Federal activities related to rural education, (2) determining the total cost of these activities, (3) identifying any inconsistency, overlap, or duplication of effort, and (4) determining whether ED rural education initiatives have impact on other Federal agencies.

Appalachian Regional Commission Program

The Appalachian Regional Commission (ARC) from its beginning concentrated its major educational efforts in vocational education, reflecting its basic mission of promoting economic development in Appalachia by helping provide a skilled work force. The program has been expanded to include both demonstration and operational program projects in nonvocational as well as vocational education.

Scope of the Program

In FY 1982, 51 projects were funded in 11 States involving \$5.5 million from the ARC, \$500,000 in Federal vocational education funds, and \$6.7 million in State and local money. Some projects encompassed entire school districts while others centered on individual schools or programs. Assistance included, in addition to the demonstration and program projects, construction of and equipment for area vocational schools.

Vocational Education for Indian Tribes and Tribal Organizations

Twenty-six grants were awarded in 13 States to tribal organizations during FY 1982. Of these, two projects were beginning their third and final year of funding and 24 projects were beginning their second year. Ongoing projects are reviewed each year, and continuation is based on satisfactory performance.

Approximately 10,000 Indian youths and adults have benefited from this vocational education program since its inception in FY 1978. Students participated in skills training, career awareness, counseling, and placement services. In addition, instructors and project directors received inservice training.

Vocational education training was offered in a wide range of occupations including construction trades, heavy equipment operation, business and clerical skills, small business management, agriculture, automotive repair and maintenance, diesel engine repair, upgrading skills of police officers, boat building, solar construction, and fisheries management. In addition, bilingual training in a variety of vocations was part of the program.

Funds under this authority supported new vocational programs on Indian reservations where training opportunities have in the past been very limited. Projects were designed to provide training that would not involve the prohibitive cost of leaving the reservation to attend schools or an impractical commute to the training site. Increased emphasis was given to coordinating vocational education programs with tribal economic development plans.

Corrections Programs

The Corrections Program, as part of its continuing effort to increase rehabilitation opportunities for offenders, helped establish cooperation between correctional agencies and large publishing companies, who donate the books for the education and rehabilitation of inmates and their families. The role of the Corrections Program is to assist correctional agencies in getting the program off to a good start and developing a smooth process. The program is now running independently through an agreement among State agencies, publishers, and the American Correctional Association.

ADULT EDUCATION

The State-administered adult education program is a cooperative effort between States and the Federal government. In FY 1982, States channeled \$100 million in Federal funds to more than 2,300 local education agencies, 460 community colleges and vocational-technical institutes, and 300 other entities. A vast majority of the States contributed more to the program than the required 10 percent State and local matching funds. The State and local contribution was estimated at 40 percent. Over two million educationally disadvantaged adults participated in basic and secondary education programs in FY 1982.

Assisting Refugees and Immigrants

During FY 1982, OVAE monitored 15 projects for nearly 10,000 adult refugees from Indochina; 12 projects for 23,000 Cubans; and nine projects for 10,000 Haitians. Some \$20.1 million were used to provide English-language skills, basic skills, and other instruction.

In addition, OVAE monitored 18 education projects for 5,000 immigrants from all over the world. These projects were funded at \$2.5 million.

In aiding refugees, OVAE worked with State and local education agencies as well as a wide variety of public and private nonprofit agencies and organizations at the local level.

Technical Assistance

Building the capacity of States to administer, support, and enhance their programs in adult education was the major focus in FY 1982. OVAE provided assistance to States through telephone and written communications, participation in regional, State, and national gatherings, and visits to State

and local education agencies. A national meeting for State adult education directors was held to improve program planning and coordination for educationally disadvantaged adults. Special emphasis was given to improving programs for older persons and to promoting the use of telecommunications in adult education generally.

Disseminating Information

The many dissemination activities that were conducted in FY 1982 to improve adult education included:

- o operating a clearinghouse on adult education to provide information to State and local educators and the public;
- o conducting 12 Adult Learning Seminars, and holding National Advisory Council meetings;
- o initiating coordination between adult and community education directors;
- o developing networks in support of competency-based adult education, volunteerism, the disabled, and English as a second language.

OFFICE OF POSTSECONDARY EDUCATION

The Office of Postsecondary Education (OPE) is involved in a broad spectrum of Federal support for various postsecondary educational activities: Federal student financial assistance, institutional development, student services, housing and facilities, veterans' affairs, cooperative education, international education, graduate education, and new techniques related to the improvement of postsecondary education. In addition, OPE houses the White House Initiative on Historically Black Colleges and Universities established through Executive Order 12320.

During FY 1982, six goals reflected OPE's mission:

- o efficient program management;
- o deregulation of postsecondary education programs;
- o assistance to historically Black colleges and universities;
- o access to equal educational opportunities;
- o enhancement of the Nation's role in international education; and
- o support for innovative teaching methods and practices.

Policy Initiatives

Deregulation

During FY 1982, OPE completed the deregulation review mandated by the President in Executive Order 12291 to reduce burdensome existing and future regulations, to increase agency accountability for regulatory actions, to provide for Presidential oversight of the process, to minimize duplication and conflict of regulations, and to ensure well-reasoned regulations based upon statutory requirements.

OPE reviewed all major program regulations and made plans to publish simplified regulations in FY 1983.

OPE adopted community-based guidelines on "satisfactory academic progress" in keeping with Administration objectives and the Executive Order requiring constituent participation in the deregulation process.

Executive Order 12320: Assistance to Historically Black Colleges and Universities (HBCU)

The White House Initiative staff organized two major receptions for Black college presidents, Cabinet members, and chief executive officers from major corporations. This was the first development of the Private Sector Initiative required by the Executive Order. In May, at an event hosted by Howard University, HBCU presidents and the chief executive officers discussed the organization and direction of the Private Sector Initiative.

The staff prepared the First Annual Federal Plan for Assistance to Historically Black Colleges and Universities, which was presented to the Cabinet Secretariat on April 14, 1982. After a thorough review by the White House Office of Policy Development, during which comments were received from Presidents of the Historically Black Colleges and Universities and other Federal agencies most affected by Executive Order 12320, the Report was amended and refined. The Final Report was submitted to the President by the Secretary in mid-summer. This Report highlighted the following:

- o Funding for HBCU's was projected in FY 1982 to increase by more than \$2 million over FY 1981. In FY 1981, Federal spending for HBCU's totaled \$544,794,000 compared with \$546,911,000 projected for FY 1982.
- o This increase in planned spending came at a time when overall Federal outlays for all institutions of higher education were expected to decrease by 4.4 percent, from \$10,074,953,000 in FY 1981 to \$9,629,513,000 in FY 1982. HBCU funding was projected to increase by 0.4 percent.
- o The share of Federal higher education funds targeted to HBCU's was also expected to increase, from 5.4 percent of the total in FY 1981 to 5.7 percent of the total in FY 1982.

In the Report the Secretary made recommendations which the President announced as new Federal agency goals for 1983:

- o Agencies should place emphasis on using program funds for improving the administrative infrastructures of HBCU's;
- o In cases where agencies project decreased funding for all higher education institutions, they should strive to increase the percentage allocated to HBCU's;

- o Agencies should continue efforts to eliminate barriers to HBCU participation in federally sponsored programs and accelerate activities to identify and amend policies or regulations which inhibit full participation by HBCU's in these programs.

An additional recommendation by the Secretary resulted in the President's directing the White House Office of Private Sector Initiatives to work with the White House Initiative staff on HBCU's to "place special emphasis on increasing private-sector support."

In FY 1982 efforts were made to aid two Black medical schools. In June, the President ordered action to help Meharry Medical College achieve self-sufficiency. In July, a \$2.6 million Challenge Grant from Title III, Institutional Aid Programs, was announced for the new Morehouse Medical School in Atlanta, Georgia.

International Education

The primary mission of the Department's Office of International Education Programs is to develop and sustain the competence of U.S. institutions in foreign language and area studies, particularly in the "hard," uncommonly taught languages. This mission was accomplished primarily through the award of grants to 90 university language and area centers and more than 800 fellowships under Title VI of the Higher Education Act. Smaller programs in undergraduate language and area studies and research in related disciplines supplemented the basic centers and fellowships program.

Fulbright fellowships in language and area studies complemented the domestic language and area centers and fellowships, and allowed advanced and intensive study abroad. Nearly 150 such fellowships were awarded along with approximately 30 Fulbright Group Projects Abroad awards.

The Department also administers the Teacher Exchange program for the U.S. Information Agency. Primarily directed toward secondary school teachers and assistant professors, this program expedited the exchange of more than 200 teachers, mostly with Western European countries.

The Office of International Education Programs also participated in the Japanese-American Cultural Convention and UNESCO's conference on higher education in Rumania in June 1982; continued administering a number of bilateral agreements, such as those with the People's Republic of China, the Republic of Korea, Israel, and Italy; and provided an overview of American higher education to more than 1,200 foreign educators visiting the United States.

During FY 1982, the National Advisory Board on International Education met for the first time.

Accreditation

In FY 1982, a number of interim procedures were developed which enabled the Secretary to reduce drastically the backlog of 65 applications for recognition as accrediting agencies. This backlog is expected to be totally eliminated by December 1982.

A newly appointed National Advisory Committee on Accreditation played an active role in reducing the backlog of applications.

The Department approved a joint petition for recognition of accrediting agencies for use by both the Eligibility and Agency Evaluation Staff of the Department and the Council on Postsecondary Accreditation. The Department's Eligibility and Agency Evaluation Staff participated with the Department of Defense in three joint conferences on the purpose and establishment of State Advisory Committees on military education.

OPE also found that in FY 1982 the universe of postsecondary educational institutions in the United States eligible for Federal funds increased to 9,000: 3,200 collegiate degree-granting institutions and 5,800 non-degree-granting occupational schools.

Program Initiatives

Office of Student Financial Assistance (OSFA)

During FY 1982, the Office of Student Financial Assistance made important gains in resolving outstanding audits. Recognizing a backlog of 1,800 in August 1981, OSFA management reduced the number to 50 by March 1982. In addition, 5,450 audits were reviewed during the year, 3,202 more than in FY 1981.

Recovery of taxpayer funds was made as follows:

- o As a result of the audits, more than \$16 million were recovered, an increase of \$13 million over the FY 1981 figure. Additional program reviews recovered \$27,364,000 in liabilities at institutions, or \$11.4 million more than in FY 1981. Recoveries from banks in the Guaranteed Student Loan Program were \$8.9 million more than in FY 1981.
- o Loan collections netted more than \$55 million in FY 1982, an increase of 25 percent over the nearly \$43.1 million netted in FY 1981. This increase

was achieved despite a decrease in the number of Federal employees used in the process through the use of private contractors.

- o Closing and reconciling prior year Pell Grant Program institutional accounts resulted in taxpayer savings of \$66 million. A new policy on loan defaults was initiated which denies new Federal Capital Contributions under the National Direct Student Loan Program to institutions with significantly high default rates.

OSFA simplified the campus-based student financial assistance Application/Operations Report form and broadened the Campus-Based National Appeals Panel to include fiscal offices.

Office of Institutional Support and International Education Program

This Office successfully implemented the new Institutional Aid Programs authorized by Title III of the Higher Education Act. More than 400 institutions received awards from one or more of these programs: Strengthening Program, Special Needs Program, and Challenge Grant Program. The money available to be spent in FY 1982 by historically Black colleges and universities rose from nearly \$35 million in FY 1981 to more than \$56 million in FY 1982, a 60 percent increase.

Collections of College Housing and Academic Facilities Loans totaled over \$5.7 million in FY 1982, a substantial increase over the projected \$3.7 million recovery.

Fund for the Improvement of Postsecondary Education

Requests for funds during FY 1982 included a dramatic increase in educational technology proposals: from one-sixth of all FY 1981 requests to one-third of all FY 1982 proposals. A similar dramatic increase in proposals to articulate educational issues between higher education institutions and secondary schools indicated an emerging interest in the development of greater quality and excellence in course offerings and student preparation.

Administration and Management Initiatives

In an effort to reduce spending, a number of activities centered on the improvement of both administration and management.

Office of Student Financial Assistance

An OSFA-wide Task Force, in conjunction with the Department-wide credit management effort, was developing and testing a new and simplified student aid delivery system Request for Proposals which will be operational in FY 1984-85. A similar working group was implementing the National Direct Student Loan (NDSL) Program initiative to increase the NDSL fund through tightened fiscal procedures, more technical assistance to institutions, clear due-diligence procedures, and heightened loan collections for all OSFA programs. More than \$21 million was saved by using stringent fiscal controls to disburse funds more efficiently to institutions participating in the Pell Grant Program.

A major reorganization of the Regional Offices was accomplished during FY 1982. The plan called for all loan claims and collections to be centralized in the three largest regional offices by the end of FY 1983: San Francisco, Chicago, and Atlanta. The other seven regions will target their activities in:

- o institutional, bank-lender, and guarantee-lender agency reviews; and
- o technical assistance and training for institutional personnel to assure compliance of student financial assistance funds, and to provide improved management of funds.

Finally, a Computerized Goals and Objectives System was instituted. This system made supervisors accountable for the completion of specific objectives, and allowed top management to track major functions and anticipate problems in completing those objectives.

Office of Institutional Support and International Education Programs

Program initiatives centered on two activities. First, continued refinement of cross-training of personnel allowed for dual monitoring of programs, including the development of a basic over-arching monitoring instrument that can be used in all programs within the Office. Second, the identification of exemplary projects for information dissemination on successful approaches to educational problem areas continued, and attempts were made to demonstrate the replicability of approaches for all institutions with similar problem areas.

Office of the Assistant Secretary

Several activities of the Immediate Office of the Assistant Secretary included:

- o A report by an OPE Task Force on the Trust Territories defined OPE's policies with regard to the Trust Territories, and was submitted to the Congress on July 14, 1982.
- o The National Advisory Committee on Blacks in Higher Education and Black Colleges and Universities prepared and printed nine major studies concerning Black higher education, including 11 "fact sheets" concerning the achievements of Black persons.
- o An Office of External Affairs, which combined several OPE units, was established to provide more effective outreach to constituents. The new office is responsible for supporting the activities of the National Advisory Committee on Blacks in Higher Education and Black Colleges and Universities, the Community College Liaison Unit, the College and University Unit, and the Eligibility and Agency Evaluation Unit. In addition, a new computerized system was set up which allowed OPE to determine the funding history of all institutions for the past three years.

OFFICE OF EDUCATIONAL RESEARCH AND IMPROVEMENT

The Office of Educational Research and Improvement (OERI) has the mission of strengthening the foundations of education by conducting and supporting basic and applied research, systematic demonstration and dissemination, and professional development.

Organizational Structure

OERI began Fiscal Year 1982 with five program components:

- o National Institute of Education (NIE)
- o National Center for Education Statistics (NCES)
- o Office of Libraries and Learning Technologies (OLLT)
- o Office of Education Professional Development and Dissemination (OEPDD)
- o Institute of Museum Services (IMS)

In December 1981, IMS was transferred out of the Department of Education to the National Endowment for the Arts and Humanities. At almost the same time, OERI completed a reorganization proposal to adapt its structure to reflect the changes that took place under the Education Consolidation and Improvement Act. One of the principal goals of the reorganization was to bring together programs remaining in OLLT and OEPDD to form one unit: the Center for Education Improvement (CEI). Preliminary approval for reorganization, which will be implemented during FY 1983, was given in August 1982.

Using New Technology

Secretary's Technology Initiative

On June 21, 1982, the Secretary announced a Departmental initiative designed to assist schools in realizing the full benefit of modern information technology. This announcement followed a series of three invitational meetings in which knowledgeable individuals -- Chief State School Officers, school superintendents, representatives of the private sector, and education associations -- were asked for their views on problems and opportunities connected with the use of computers to improve teaching and learning.

The core program in this initiative, led by the Education Technology and Science Staff in the Office of the Assistant Secretary, OERI, emphasizes how schools can use computers and related technology for effective education. The program is supplemented by other technology efforts in the Department.

To coordinate these varied activities and to provide for Department-wide sharing of goals and information, the Secretary established a Technology Coordinating Council, chaired by the Assistant Secretary for OERI. The Council, established in June 1982, held two meetings during FY 1982.

Among the first activities of the initiative was the funding of four "lighthouse school" technology projects. These projects act as host schools for practitioners throughout the Nation, providing a site for observation, discussion, limited training, and dissemination of information about the particular technology employed.

The Technology Initiative also addressed the need for computer software to complement school textbooks. Based on evidence that the needed software is unavailable, an assessment to establish the precise outlines of the problem was initiated during FY 1982. At the same time, OERI began to examine the gaps in our understanding of how computers affect the learning process, with the goal of identifying research that is needed to fill these gaps.

Involving State and local educational personnel in the Department's technology activities is a high priority. In June 1982 OERI sponsored a national teleconference on technology in education. Using the Public Broadcasting Service's national telecommunications system, more than 4,800 educators in 45 States and the District of Columbia participated in an interactive telecast. A followup teleconference is scheduled for FY 1983.

In addition to new activities centered around making better use of computers in the classroom, OERI is continuing to build on past successes involving other technologies with such projects as educational television and a data collection effort that will enable us to understand technology-related changes and trends.

Educational Television

Educational television activities in the Department of Education and its predecessor agency, the Office of Education, began in 1968 with support for Sesame Street, which no longer needs or receives Federal support. OERI's Office of Libraries and Learning Technologies (OLLT) continues, however, to develop the educational potential of children's television. During FY 1982, 3-2-1 Contact, a science series, entered its second year of funding, while The Voyage of the Mimi, a science and mathematics series that uses interactive microcomputers and videodiscs, entered the production phase. A third series, The World of Work, was also funded during FY 1982. This series is designed to introduce adolescents to new technology and to encourage them to explore the relationship between technology and the work environment they will encounter.

Information Needs

The expanded use of computers, videodiscs, and interactive television programs in education has created a demand for information about the new technology. During FY 1982 the National Center for Education Statistics (NCES) developed a five-year plan for educational technology data collection. The object of this program is to collect, analyze, and disseminate information on television, radio, cable, and satellite systems, computers, and related technologies. Also in FY 1982, OLLT distributed copies of one of its publications, A Guide to the Use of Technology in Basic Skills Education, to each school district in the country. In addition, OLLT furnished to every State department of education a videocassette and printed materials illustrating the use of technology in the classroom.

National Commission on Excellence in Education

The NCEE was established in August 1981 as an independent advisory group housed in OERI but reporting directly to the Secretary. The first full meeting of the 18-member Commission took place on December 7, 1981, in Washington, D.C. The NCEE subsequently divided into working groups that conducted hearings at sites in various parts of the country.

During FY 1982 the Commission held the following hearings:

- March 11 - "Science, Mathematics, and Technology,"
Palo Alto, California
- April 16 - "Language, Literacy, and Foreign Language,"
Houston, Texas
- May 12 - "Teaching and Teacher Education,"
Atlanta, Georgia
- June 23 - "Admission Standards,"
Chicago, Illinois
- September 16 - "Education and the Student's Life Work,"
Denver, Colorado

Aid to States, Local School Districts, and
Institutions of Higher Education

National Center for Education Statistics (NCES)

o Census Mapping - The Bureau of the Census collects a great deal of material that local school districts might find helpful in planning. Because

census tracts and school district boundaries differ, however, census information is only marginally useful to local school board members and superintendents. Were the boundaries to coincide, States could use census data in allocating State funds or the sub-State allocation of Federal funds for any program whose formula contains elements found in the census data (e.g., poverty).

To make the census data more useful, the Department of Education and the Bureau of the Census signed an interagency agreement under which NCES and Census will work together to produce data that conform to school district boundaries. This project, which involves approximately \$2.25 million in Department of Education funds during FY's 1982 and 1983, had gotten well underway by the end of the fiscal year, and matching of school district boundaries with census tracts was completed for 16 States. A school district map library has been planned with the cooperation of staff at the Library of Congress, and NCES held the first in a series of data-user workshops in preparation for the initial release of data early in FY 1983.

o Personnel Exchange - This NCES project provides a way for one State education agency (SEA) to share with another SEA the evaluation procedures, proposed design specifications, and contractor proposals relating to the development or improvement of statistical and data collection activities. These exchanges, which involve on-site, face-to-face discussions among participants, are a cost-effective way for States to help each other in areas related to education data.

National Institute of Education (NIE)

o Urban Superintendents' Network - The chief executives of 22 of the largest urban school districts met three times in FY 1982 to consider how to apply research findings to their school systems. The particular issues emphasized by the superintendents were technology in the classroom, the role of the principal, and the social and demographic aspects of urban schools.

o Initiative on the Principalship - Recognizing the vital job done by school principals in providing leadership to individual schools, NIE has sponsored a series of studies and other activities to learn more about the principalship and to strengthen the recruitment, selection, and training of principals.

Office of Libraries and Learning Technologies (OLLT)

o College, university, and public libraries received assistance from OLLT during FY 1982, the bulk of the funding (\$71 million) going to support public library services and interlibrary cooperation. Under OLLT's College Library

Resources program, over 2,200 colleges and universities received grants averaging about \$900 each. Forty major research libraries received an average grant of over \$140,000 under the Strengthening Research Library Resource program.

Dissemination

*OERI is charged legislatively with getting educational research and statistical information to those who need it. This is accomplished through NIE, NCES, and the National Diffusion Network.

Educational Resources Information Center (ERIC)

ERIC is one of the oldest and most effective of NIE's activities in this area. ERIC is a computerized library of over 480,000 items on education, dating back to 1966. Its documents are available on microfiche, and its computerized databases are widely available to the public through on-line retrieval.

A recent study indicated that ERIC is used more than 2.7 million times a year at some 3,269 locations. Each year about 300,000 on-line searches of computer tapes are made, and some 2.4 million users consult ERIC microfiche. The ERIC system was created by NIE, but the Department now provides only about four percent of the \$135 million annual cost of the system. ERIC is an example of a federally initiated concept that now attracts the overwhelming part of its support from non-Federal sources.

National Diffusion Network (NDN)

The National Diffusion Network is an OERI program which helps local school districts help each other by sharing exemplary programs.

The Department's Joint Dissemination Review Panel (JDRP) examines each program for evidence of effectiveness. Programs which meet JDRP standards are eligible for NDN funding and are listed in the annual catalog, Educational Programs that Work. The JDRP validated 32 new programs during FY 1982, adding them to the previous total of almost 300.

Statistical Dissemination

OERI's National Center for Education Statistics (NCES) is mandated by law to "collect, collate, and, from time to time, report full and complete statistics on the condition of education in the United States." NCES supplies information to a wide range of recipients. During FY 1982 the Center published 63 reports and directories, 28 bulletins, and 70 announcements. It also responded to 23,313 requests for information, 620 of which came from the Congress.

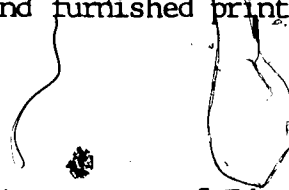
The Department's major statistical compilation, The Condition of Education, came out in its eighth edition in June 1982. Covering the entire range of education levels, The Condition of Education is a unique source of information for anyone interested in education.

State Dissemination Grants

NIE's State Dissemination Grants Program has supported five-year grants to State education agencies to strengthen their dissemination capacity. Since 1976 a total of 41 States, the Virgin Islands, and the District of Columbia have received such grants and, by the end of FY 1982, 21 projects had been completed. These projects serve over 500,000 educators annually and result in improved curricula, inservice practices, management procedures, and community relations.

Research and Development Exchanges

OERI also supported eight regional Research and Development Exchanges which served all parts of the country and helped State education agencies and other clients apply the results of educational research. During FY 1982 particular emphasis was placed on disseminating research findings on effective schools and classrooms. During this year, for example, the Exchange located in the Mid-Continent Regional Educational Laboratory (Kansas City and Denver) provided 24 hours of training in effective teaching to 3,620 teachers in the region, and furnished printed material on effective teaching to 21,000 others.



Measuring the Results

National Assessment of Educational Progress (NAEP)

NAEP is a congressionally mandated study which collects and reports information on student achievement in reading, writing, and mathematics at various grade levels. NAEP, which is housed in NIE, has found that students are

mastering the basics of a subject but are declining in their mastery of the more difficult aspects of the same subject. In mathematics, for example, most students are able to do basic computation but cannot do word problems; in writing, most students perform well on tests of grammar but not on items measuring persuasive writing; in reading, most students have shown some improvement on literal comprehension items while declining in inferential comprehension.

These findings suggest that the "back to basics" movement has a positive effect on student achievement. They also suggest that much remains to be done to improve student performance on tasks requiring more complex, higher order cognitive skills. The poor performance of secondary school students in both science and social studies reinforces the need for high schools to expand their focus beyond the basic reading and mathematics curricula.

NAEP findings indicate that younger students show the most improvement. The performance of 9-year-olds has, almost without exception, improved in all learning areas assessed. The performance of 13-year-olds has remained stable, with slight improvements in some areas; and the performance of 17-year-olds has, for the most part, declined, even in the basics. The success of the younger children suggests that the focus on basic math and reading skills in the elementary years is paying off. Likewise, the stabilization of 13-year-olds' performance suggests that intervention begun in the early grades and maintained throughout the elementary years has likewise begun to pay off. On the other hand, the poor performance of the 17-year-olds, even in the basics, suggests that it is hard to reverse years of poor academic performance.

Education Consolidation and Improvement Act (ECIA)

In addition to measuring the levels of achievement of school children, OERI is also involved in studying the implementation and effects of Chapter 2 of the ECIA of 1981. Chapter 2 of ECIA consolidated 29 categorical grant programs into a block grant, increasing the administrative flexibility of States and local school districts and reducing Federal regulations and paperwork.

The Chapter 2 Study, which is being done by OERI's National Institute of Education in collaboration with the Department's Office of Planning, Budget, and Evaluation, consists of case studies of nine States. Each of these studies will document the processes and procedures that have been developed to implement the new law, as well as examine the effects of the new legislation on State and local programs and on State finance and governance practices. Individual case studies of the States (Maine, Pennsylvania, South Carolina, Tennessee, Texas, Colorado, Washington, Nebraska, and Michigan) are due in FY 1983.

OFFICE FOR CIVIL RIGHTS

The Office for Civil Rights (OCR) ensures against unlawful discrimination on the basis of race, color, national origin, sex, handicap, and age in educational programs receiving Federal financial assistance. Included among these programs are those for 16,000 elementary and secondary school systems and 3,200 postsecondary schools. OCR had a budget of \$45,038,000 in FY 1982 to carry out its mission.

OCR enforces four laws prohibiting discrimination:

- o Title VI of the Civil Rights Act of 1964 (race, color, and national origin);
- o Title IX of the Education Amendments of 1972 (sex);
- o Section 504 of the Rehabilitation Act of 1973 (handicap); and
- o The Age Discrimination Act of 1975.

OCR seeks to increase understanding of civil rights laws among students, beneficiaries, and employees of school districts, colleges and universities, State rehabilitation centers, and other recipients of Federal education funds. OCR also provides assistance to encourage voluntary compliance with these statutes.

Complaint Resolution

Investigation and resolution of complaints alleging illegal discrimination are OCR's primary activities. In FY 1982 OCR received 1,834 and closed 2,256 complaints--many filed in previous years. Forty-five percent of the cases alleged discrimination based on handicap, 22 percent race, and 10 percent sex. The remaining 23 percent alleged a combination of bases for discrimination.

Of the complaints filed in FY 1982, 63 percent were filed against elementary and secondary schools. Seventy-three percent alleged discrimination in service delivery. The remainder alleged discrimination in employment.

In 99 percent of those cases involving an initial finding of violation, the recipient came into compliance on a voluntary basis.

At the close of FY 1982, 1,140 complaints were pending, a 27 percent decrease from the 1,562 complaints open at the end of FY 1981.

Compliance Reviews

During FY 1982, OCR initiated 206 and closed 244 compliance reviews, some initiated in previous years. Approximately 66 percent of the reviews involved elementary and secondary schools. The remaining 34 percent were conducted in postsecondary institutions.

Elementary and Secondary Education

Compliance reviews in elementary and secondary schools conducted in FY 1982 covered within-school discrimination, vocational education programs, special purpose schools, unserved special education needs, school segregation, and services to limited-English-proficient students.

One elementary and secondary Title VI case which OCR was unable to resolve was referred to the U.S. Department of Justice for enforcement.

Also during FY 1982, OCR continued to monitor State vocational education programs. Guidelines issued in March 1979 set forth obligations of State agencies as well as local school districts which offer or administer vocational education programs. By late 1982 all States and insular possessions had submitted Methods of Administration (MOA) in compliance with the guidelines. OCR reviewed and approved MOA's in conjunction with the Office of Vocational and Adult Education and will monitor compliance.

Postsecondary Education

During FY 1982, OCR's postsecondary education compliance reviews centered on program accessibility, graduate admissions, vocational education programs (community and junior colleges), and student services.

Two State higher education desegregation cases in which OCR was unable to negotiate settlements were referred to the U.S. Department of Justice for enforcement.

Compliance with Title VI and Title IX in Graduate and Professional Schools

To enhance the efforts of graduate and professional schools to comply with Title VI and Title IX in their admissions procedures, OCR in FY 1982 developed policy guidance in three areas integral to admissions:

- o recruitment
- o admissions policies
- o financial assistance

For each issue, the policy guidance describes OCR's legal authority under Title VI and Title IX, respectively, and provides practical information on compliance assessment.

Enforcement of Title IX in Intercollegiate Athletics

OCR continued successful negotiation procedures begun in 1981 to resolve Title IX cases involving intercollegiate athletics. The resolution procedure provides colleges and universities an opportunity, prior to the issuance of a Letter of Finding of Violation, to develop plans to correct violations identified by OCR investigators. As a result, the substantial backlog of cases in intercollegiate athletics was greatly reduced in FY 1982. The procedure proved so successful in bringing colleges and universities into compliance with Title IX that it is now employed to achieve compliance in other cases.

Litigation

Litigation continued during FY 1982 in the United States District Court for the District of Columbia in Adams v. Bell--which established a schedule for processing of complaints and compliance reviews by the Department, with hearings held in March. The court ordered the Department to complete a study concerning its compliance with the schedule and also ordered the Department and the plaintiffs to negotiate a revised schedule. The study was completed and submitted to the court and the plaintiffs in June 1982; however, negotiations proved unsuccessful. Proposed new time frames were submitted by both the Department and the plaintiffs on August 16, 1982. At the end of FY 1982 a decision on these proposals was still pending before the court.

The first instance of termination of funding since 1972 involved a school district found in violation of Title VI of the Civil Rights Act of 1964 by an Administrative Law Judge. Although OCR attempted to negotiate a settlement, the district refused to remedy the violation.

Administrative enforcement actions were initiated on September 10, 1982, against two postsecondary education institutions for refusal to allow OCR access to records to investigate Title VI and Title IX complaints alleging racial and sexual discrimination.

Management

Following a 1977 General Accounting Office (GAO) report on OCR management which noted deficiencies in interaction with regional offices, policy guidance, and management information systems, an updated study issued in FY 1982 concluded that OCR had "significantly improved the management of these [civil rights] responsibilities." Specific steps taken to improve the areas cited by GAO in 1977 included the development and review of policy guidance, information systems covering compliance, and expanded and automated enforcement operations.

The followup study found that these actions improved on OCR's operations and eliminated many of the problems cited in the 1977 review.

OCR's efforts to reduce internal waste, fraud, and abuse were paramount throughout FY 1982. All office expenditures were carefully screened, notably those in travel, training, contracts, and printing.

Program Management Initiatives

Major initiatives in FY 1982 to increase efficiency and effectiveness were:

- o Implementation of changes in OCR's Management Information Systems in order to produce one integrated system that (1) meets OCR's management information needs, (2) reduces the reporting burden on the regional offices and eliminates duplicate reporting, and (3) meets the reporting requirements imposed by the Adams order and tracks OCR's compliance with that order.
- o Concentration of management information functions in one organizational unit to avoid duplication of data requests and provide for comprehensive management analyses.
- o Automation of the compliance review portion of the case tracking system.

Data Collection

Mindful that efficiency and effectiveness are considerations important not only for Federal agencies but for State and local schools as well, OCR attempted in FY 1982 to minimize its data collection burden. As required by the Adams order, OCR conducted surveys to monitor compliance with civil rights

laws by school districts throughout the country. As in past years, OCR reviewed its survey form and found that it could be revised to alleviate reporting burdens on school districts without decreasing the effectiveness of civil rights enforcement.

In revising the survey, OCR coordinated its efforts with the Committee for Evaluation and Information Systems of the Council of Chief State School Officers. This was done to make sure that OCR's efforts are effective in reducing the administrative burden its surveys impose on State and local school officials. OCR also used survey data to target districts where technical assistance may further compliance.

Technical Assistance

An integral part of OCR's compliance program was assistance in understanding civil rights laws. During FY 1982, OCR completed 23 technical assistance contracts to provide accurate information about civil rights laws and regulations, and assistance in locating and resolving compliance problems. The work of the Regional Technical Assistance Staff (RTAS) units continued during the year. RTAS' mission is to assist recipients of Department funds, professional associations, and State and local governments in efforts to comply with Section 504.

Regulatory Reform

A major OCR goal is to ensure that regulatory requirements are consistent with the intent of Congress in Title VI, Title IX, Section 504, and the Age Discrimination Act; that these requirements are fair and reasonable; and that they allow school officials flexibility in meeting obligations under these statutes.

Review of the Department's civil rights regulations were a major activity of OCR throughout FY 1982, and will continue in FY 1983.

OFFICE OF THE GENERAL COUNSEL

The Office of the General Counsel (OGC) provides legal services to the Secretary of Education and other officials of the Department.

OGC's activities and accomplishments in specific areas during FY 1982 are as follows:

Legislation

In FY 1982, OGC supervised responses to approximately 200 congressional and Administration requests for the Department's views on proposed or pending legislation.

In accordance with the Administration's policy of supporting consolidation of education programs, the Office prepared a bill, subsequently introduced in the Congress, that would consolidate Federal vocational and adult education programs. The Office also worked on other proposals designed to consolidate and simplify additional education programs, to reduce costs in student financial assistance programs, and to carry out other Departmental initiatives. One such proposal involved the drafting of major amendments designed to streamline the Rehabilitation Act of 1973 and to give States greater flexibility in its administration.

Regulations

The legal staff of OGC and the regulations coordinators of its Division of Regulations Management (DORM) work together to assure that Department regulations are correct, concise, legally sound, and reflect appropriate and understandable policies and interpretations. OGC attorneys played a leading role in drafting regulations, reviewing existing regulations, and identifying and resolving legal and policy issues that arise in the regulatory process. Through DORM, OGC also was responsible for overseeing, coordinating, and improving procedures for preparing regulations.

Major initiatives of the Department in the area of regulations during FY 1982 were:

- o implementation of an improved and more timely regulations process;
- o completion of reviews of certain programmatic and administrative regulations and to establish a plan for the review of all other ED regulations;

- o elimination of unnecessarily burdensome reporting requirements in regulations.

OGC implemented a greatly improved process for the development, approval, and more timely issuance of regulations. The process accommodates legislative requirements, including the General Education Provisions Act, the Regulatory Flexibility Act, and the Paperwork Reduction Act of 1980 and furthers the goals of Executive Order 12291 and other regulatory relief efforts initiated by the Department, the President's Task Force on Regulatory Relief, and the Office of Management and Budget.

For purposes of deregulation, 84 of more than 200 ED regulations were reviewed in FY 1982. Accomplishments during this process included:

- o review of regulations for the program of Assistance to States for Education of Handicapped children (Part B of the Education of the Handicapped Act) and the issuance of new proposed regulations under this authority;
- o drafting significant amendments to regulations for Vocational Education, Adult Education, the Rehabilitation Act of 1973, and the Library Services and Construction Act.

Efforts to reduce paperwork and burdensome regulatory provisions included the elimination of numerous reporting and recordkeeping requirements and of requirements governing local and State advisory committees. OGC has been instrumental in identifying opportunities for deregulation and in preparing the necessary documents to accomplish this purpose.

In FY 1982, efforts to reduce burdens and cut costs for applicants and grantees saved an estimated 279,582 manhours and \$2,234,498. Additional savings are expected as other ED regulations are reviewed in accordance with the Department's schedule.

OGC played a leading role in FY 1982 in the preparation of regulations and nonregulatory guidance needed to implement Chapters 1 and 2 of the Education Consolidation and Improvement Act (ECIA). OGC services included not only drafting these documents, but also identifying issues and options for policy resolution, liaison with the Office of Management and Budget, providing legal advice to Department officials, and representing the Department in public meetings designed to identify and discuss regulatory issues.

Legal Advice

OGC provided legal advice during FY 1982 on a great many important statutory, constitutional, and regulatory issues in response to inquiries from the Secretary and other Department officials, the White House, the Congress, and the public. The major areas and issues included:

- o disposition of appeals from State decisions concerning programs administered under the Education of the Handicapped Act;
- o applicability of civil rights laws to educational institutions;
- o administrative and management legal issues related to personnel, budget, freedom of information, and contract law;
- o education of the handicapped;
- o tuition, tax credits;
- o amendments to the Higher Education Act;
- o compliance with statutory requirements governing timeliness of obligation of funds by State and local grantees (the Tydings Amendment);
- o Chapter I of ECIA and the block grant program under Chapter 2 of ECIA;
- o issues related to the transition from antecedent programs to programs under Chapters 1 and 2 of ECIA;
- o continuation of support for research laboratories and centers funded by the National Institute of Education and the National Institute of Handicapped Research;
- o services to private school children in elementary and secondary education programs;
- o audit procedures and audit compliance standards for major programs;
- o statutory and regulatory amendments to Title IX of the Education Amendments of 1972.

OGC also provided legal services needed for day-to-day administration of many established programs of assistance to education administered by the Department. Program areas that required a concentration of legal services during FY 1982 included:

- o student financial aid programs;
- o Women's Educational Equity Act;
- o impact aid;
- o special education services for refugees and Cuban-Haitian entrants;
- o Bilingual Education Act.

Litigation

Legal services provided by OGC during FY 1982 in connection with court and administrative litigation have improved the administration of Department programs. For example, in support of the Department's program to prevent waste, fraud, and abuse, OGC devoted considerable resources to the audit enforcement process, particularly under programs of aid to elementary, secondary, and vocational education. These activities included:

- o resolution of long-standing audit appeal and audit collection cases under Title I of the Elementary and Secondary Education Act (ESEA) through settlements and the use of authority for regranting recovered funds under Section 456 of the General Education Provisions Act;
- o presenting the Department's position before U.S. Courts of Appeals in key cases testing the Department's authority to recover misspent program funds through administrative determination, and working with the Department of Justice in preparing a petition for certiorari and related documents that led to the U.S. Supreme Court taking jurisdiction of a case involving this same area of Departmental authority.
- o successfully representing the Department in complex reviews and appeals of final audit determinations and other rulings in connection with State-administered programs such as Title I of ESEA;

- o resolution of long-standing disputes arising out of contract audit disallowances, including the recovery of funds through settlement negotiations.

In the area of postsecondary education, OGC's litigation activities resulted in vast actual and potential savings for the Department. Amounts won or saved through favorable judicial rulings or settlements in litigation with lenders under the Federal Insured Student Loan Program exceeded \$10 million. Substantial recoveries were also achieved in bankruptcy proceedings involving educational institutions which formerly participated in the Department's post-secondary education programs. Finally, important precedents were established in two Circuits of the U.S. Court of Appeals and several District Courts regarding the Government's rights against borrowers who have defaulted on student loans.

Other key litigation included:

- o convening arbitration panels for, and overseeing the mediation of, disputes concerning vending sites for blind vendors under the Randolph-Sheppard Act;
- o defense of cases challenging the Department's authority to provide for federally assisted services to private school children in their schools;
- o defense of the Department's denial of claims for Impact Aid payments made by various school districts;
- o successful defense of cases challenging the Department's Reduction-in-Force actions;
- o successful defense of litigation brought by several States challenging the data basis for fund allocations under Chapter 1, ESEA;
- o defense of a class action lawsuit challenging the Department's alleged failure to provide night pay differential to certain employees.

The Office also worked with the Department of Justice in civil rights cases dealing with the nature and scope of the Department's responsibilities under various civil rights statutes, including issues of employment and athletics under Title IX of the Education Amendments of 1972 and school discipline practices under Title VI of the Civil Rights Act of 1964; elementary and secondary education statutes; higher education statutes; and handicap statutes.

OFFICE OF LEGISLATION AND PUBLIC AFFAIRS

The Assistant Secretary for Legislation and Public Affairs is the Secretary's principal advisor concerning the Department's legislative and public affairs programs. Under the Assistant Secretary's direction, the Office (OLPA) is responsible for congressional relations and for informing the public and the education profession throughout the Nation about Department programs and policy.

The Office also administers provisions of the Freedom of Information Act, Privacy Act, and Ethics in Government Act, and serves as a repository for documents required under the Ethics in Government Act.

OFFICE OF LEGISLATION

The Office of Legislation (OL) interacts with Department policy and program offices, the White House, and the Office of Management and Budget in formulating legislative proposals for submission to the Congress. When proposals are refined, OL develops the overall strategy essential to timely presentation of the Department's legislative program. This necessitates working closely with congressional authorizing committees to ensure that proposals receive due consideration when the committees take action on program authorizations.

In addition, OL, through its Division of Congressional Services, responds to inquiries from the Congress regarding Department operations and programs, and keeps Members informed about grant and contract activities. OL's Legislative Reference Unit follows and reports the progress of legislative measures pertaining to the Department and maintains a library of historical legislative materials relating to Federal education programs.

Legislative Activities

In FY 1982 the Office of Legislation worked with program and policy offices in developing legislative proposals in the areas of vocational and adult education, student financial assistance, and bilingual education.

Following the example of the elementary and secondary block grant legislation enacted in FY 1981, the Department in FY 1982 submitted a proposal to consolidate all vocational and adult education programs, to allow State and local education agencies more flexibility in providing and administering those programs. Hearings on the Department's bill were held by both the House and Senate education subcommittees.

To reduce the escalating costs of the Guaranteed Student Loan program and other student financial assistance programs, the Department submitted proposals to tighten eligibility standards, with the assurance that students truly in need of aid would receive it. Although the Congress did not take action on student aid legislation in FY 1982, the 98th Congress is expected to be receptive to changes that would reduce the programs' rapid growth.

Also submitted was legislation introduced to amend the Bilingual Education Act, which would change the definition of a bilingual education program and modify teacher qualifications. The Department's proposal called for grants to local education agencies that would give priority to projects which serve children whose usual language is not English and that would allow greater flexibility in bilingual teaching methods.

OFFICE OF PUBLIC AFFAIRS

The Office of Public Affairs (OPA) keeps the public and the education profession informed about Department programs and policy by providing news releases to the media, timely access to Department officials, and responses to requests for information from students, parents, education associations, and the general public. In addition, it serves as the focal point for contacts between the media and Department officials.

News and Information

Through its News and Information Division, OPA in FY 1982 covered such major Administration initiatives as the reduction of Federal regulations imposed on State and local governments; changes in student financial aid programs; Executive Order 12320, which assists historically Black colleges and universities; settlements of desegregation cases involving postsecondary institutions; the FY 1983 budget; the President's tuition tax credit proposal; program consolidation; and hearings conducted by the National Commission on Excellence in Education.

In addition, the Division arranged news conferences regarding major policy objectives of the Department and provided media access to the Secretary and major officials. The Division also handled correspondence regarding the Department, letters requiring special handling for the White House and the Secretary, and letters in response to congressional requests.

Editorial Services

The Division of Editorial Policy and Special Services publishes the Department magazine, *American Education*, works with program offices in developing audiovisual products and publications, provides photographic support to the Office of the Secretary, has a daily broadcast service on programs and policy, and coordinates conference exhibit programs.

Cost Control of Publications and Audiovisual Products

President Reagan, in an April 20, 1981, memorandum, directed the heads of all Executive Branch departments and agencies to ensure cost-effectiveness in publications and audiovisual products. The Office of Management and Budget (OMB), in Bulletin 81-16, established guidelines for compliance and required agencies to establish permanent review boards for activities covered under the Presidential directive.

The Department's Publications and Audiovisual Advisory Council (PAVAC), chaired by the Assistant Secretary for Legislation and Public Affairs, was approved by OMB on April 1, 1982. With the assistance of a management staff operating under the Deputy Under Secretary for Management, PAVAC began operating, in May 1982, to ensure the essentiality and cost-effectiveness of public information products of the Department.

As a result of the Presidential directive, Department spending for publications and audiovisual products declined by an estimated \$6.5 million in FY 1982. Much of the savings derived from modifications to the approximately seven million copies of publications produced rather than from discontinuations.

Publications

In FY 1982 OLPA reviewed, edited, and processed for printing some 30 publications, including reports to the President and the Congress. Before PAVAC began operating, only publications mandated by law or deemed essential by the Secretary were produced. After PAVAC began operating, only publications it approved were produced.

Audiovisual Products

OLPA participated in the review of proposed contracts and grant applications containing provisions for audiovisual materials. In the development of Requests for Proposals (RFP's) OLPA's audiovisual officer provided technical assistance to project officers.

OLPA's audiovisual officer also reviewed -- in coordination with OM's Assistance and Management Procurement Service (AMPS) -- approved contract proposals and grant applications, and served on negotiating teams with potential contract and grant awardees concerning technical questions and proposed costs.

In FY 1982, OLPA reviewed 23 contracts and 79 grants involving 4,371 audiovisual products costing \$5.87 million. Of these, 4,000 are audiotapes, each on a different subject, to be produced under the Recording for the Blind Project at a cost of \$550,000.

Clearance of Articles and Speeches

OLPA cleared for policy 94 articles and speeches written by ED employees for non-Federal journals and audiences.

American Education

One of the Department's three periodicals, American Education, reports on Department policy, effective education practices, education research, and issues affecting education. The magazine is produced 10 times annually and is available by subscription (\$20 per year) or single copy (\$4.50) from the Superintendent of Documents, Washington, D.C. 20402.

In keeping with the President's directive to reduce the cost of producing government periodicals, the Assistant Secretary for Legislation and Public Affairs ordered a review of the magazine's cost and effectiveness early in FY 1982. As a result, editorial and design changes were immediately implemented. These changes reduced production costs by an estimated \$50,000 through eliminating the use of photographs and expensive design elements, and through restricting articles to those submitted by authors free of charge.

Editorial Services also runs a daily broadcast service offering reports on Department activities. In FY 1982 some 300 reports were offered, with an average of 125 calls daily. In addition, Editorial Services runs a Department-wide exhibit program which presented displays in FY 1982 at major education conferences throughout the country, serving an audience of approximately 50,000 educators.

APPENDIX

Advisory Councils and Committees -- October 1, 1981-September 30, 1982

Advisory Council on Dependents' Education
Advisory Council on Education Statistics
Advisory Council on Native Hawaiian Education
Advisory Panel on Financing Elementary and Secondary Education
Asbestos Hazards School Safety Task Force
Community Education Advisory Council (terminates October 1, 1982)
Federal Education Data Acquisition Council
Intergovernmental Advisory Council on Education
National Advisory Board on International Education Programs
National Advisory Committee on Accreditation and Institutional Eligibility
National Advisory Committee on Black Higher Education and Black Colleges
and Universities (terminated June 30, 1982)
National Advisory Council for Career Education (terminates October 1, 1982)
National Advisory Council on Adult Education
National Advisory Council on Bilingual Education
National Advisory Council on Continuing Education
National Advisory Council on Ethnic Heritage Studies (terminates
October 1, 1982)
National Advisory Council on Indian Education
National Advisory Council on the Education of Disadvantaged Children
(terminates October 1, 1982)
National Advisory Council on Vocational Education
National Advisory Council on Women's Educational Programs
National Board of the Fund for the Improvement of Postsecondary Education
National Commission on Excellence in Education
National Council on Quality in Education (terminates October 1, 1982)

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