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U.S. DEPARTMENT OF EDUCATION
ANNUAL REPORT

FISCAL YEAR 1988





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U.S. DEPARTMENT OF EDUCATION ANNUAL REPORT

FISCAL YEAR 1988



Lauro F. Cavazos

Secretary



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Annual report

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A Message from the Secretary

Five years ago, the National Commission on Excellence in Education issued a chilling warning in *A Nation At Risk*: “The educational foundations of our society are presently being eroded by a rising tide of mediocrity that threatens our very future as a Nation and a people.”

Since then, the U.S. Department of Education has focused its national leadership role on drawing attention to the educational crisis identified in that landmark report and serving as a catalyst for the changes necessary to reverse our educational crisis.

In March 1988, Secretary William Bennett presented the President with a follow-up report assessing America’s educational progress since 1983. *American Education: Making It Work* cited heartening progress in some areas but also detailed major challenges yet to be tackled in such areas as curriculum and content, recruiting and rewarding teachers and principals, access to quality education, and accountability for results.

Further, the 1988 annual State Education Statistics Chart (also known as the “Wall Chart”), which compares, on a State-by-State basis, standardized data such as student scores on college entrance examinations, high school graduation rates, and education spending, showed no marked improvement for the second consecutive year.

To spur greater progress in those critical areas where the Nation’s education system has yet to show significant improvement, the Department undertook several new initiatives in FY 1988 and strengthened ongoing programs that have demonstrated success. Details on the Department’s activities are reported in the pages that follow. This annual report was produced not only to provide a comprehensive record of financial, administrative, regulatory, legislative, and program activity, but also to put that activity within the context of the purpose for which the Department exists: enhanc-

ing educational opportunity and quality for the American people.

As the reader will see, the Department’s resources—educational expertise and creativity, as well as financial resources—were focused in FY 1988 on key areas where the Department’s position as a Federal cabinet agency could have the greatest impact on bringing about improvements in education. Our FY 1988 priorities are clearly reflected in the targeting of resources to providing needed and critical Federal leadership in such areas as *raising curriculum standards*, so that America’s students are armed with the fundamental knowledge and skills necessary not merely to inherit our society, but to make it better; *enhancing access to quality education* for those who need it most—the disadvantaged, at-risk, and disabled students at all levels; *identifying solutions to our most serious educational problems* by exploring innovative approaches and promoting replication of those that work across the country; *combating drug abuse*, which cripples educational opportunity and achievement; *attacking waste, fraud and mismanagement of taxpayer dollars*, with particular emphasis on identifying measures to reduce losses stemming from defaults on Federal student loans; *enforcing the protection of Americans’ civil rights* in education; and *expanding the scope of involvement in education* beyond the schoolyard by forging partnerships with the private sector and fostering greater parental involvement.

On becoming Secretary of Education in September 1988, I stated clearly that my overall objective is to reduce the education deficit in this country. The key directions for this Department were forged during President Reagan’s Administration, which brought education to the forefront of the Nation’s agenda by issuing a clarion call for a national commitment to turning our schools around. That clarion call has been heeded, and we are beginning

to respond to it through innovations at the grass-roots level and a sharp increase in community-wide programs to improve education.

As we build on the momentum for excellence in education in the Administration of President Bush, the Department's activities will be driven by three key factors: raising our *expectations* of education in America, expanding *access* to quality education, and increasing *accountability* for results. Since my tenure as Secretary of Education began just prior to the end of FY 1988, I have been committed to ensuring

that the Department's efforts are geared toward achievement of these three overarching goals. I have thus organized this annual report accordingly.

The Department of Education laid a solid foundation for achieving those goals in FY 1988, paving the way for seeing them through to reality in the years ahead.

Lauro F. Cavazos

Summary of Responsibilities, by Office

Office of the Secretary. As the chief executive officer of the U.S. Department of Education, the Secretary establishes Federal education policy and directs its implementation. Reflecting the Department's commitment to expanding private sector involvement in meeting educational needs, the Secretary's Office housed the Office of Private Sector Initiatives in FY 1988. To ensure that the concerns of and issues confronting private education are considered and addressed in the formulation of Department policy and execution of its programs, the Office of the Secretary administers programs of the Office of Private Education. The Secretary's Office also includes the Drug Abuse Prevention Oversight staff. William Bennett served as Secretary of Education until September 20, 1988, when Lauro F. Cavazos was sworn in by President Reagan.

Office of the Under Secretary. The Under Secretary helps direct the daily operation of the Department, assisting in the coordination of policy implementation by the various offices within the Department and working closely with the Deputy Under Secretaries of Planning, Budget and Evaluation; Management; and Intergovernmental and Interagency Affairs to ensure that Departmental priorities are addressed with maximum effectiveness and efficiency. During FY 1988, Linus Wright was nominated and confirmed as Under Secretary of Education.

Office of the General Counsel. The Office of the General Counsel (OGC) provides legal services to the Department and its officials. OGC bears responsibility for interpreting law affecting Department programs and advising Department officials on adherence to and enforcement of such law; for representing the Department in administrative and judicial litigation; for drafting and reviewing legislation and regulations for Department programs; and

for providing the Secretary and senior officials with legal advice.

Office of Planning, Budget and Evaluation. The Office of Planning, Budget and Evaluation bears responsibility for development, management and monitoring of the Department's budget; coordinates the development of the Department's legislative programs; coordinates the Department's planning for evaluation studies and conducts evaluations of education programs; and advises the Secretary on planning and implementation of Department programs. The office also prepares analyses of educational data and policy for the Secretary, the White House and the Congress; administers the Freedom of Information Act and Privacy Act for the Department; and informs the public and the news media of Department programs and policies.

Office of Management. The Office of Management (OM) provides administrative support and financial management essential to the smooth operation of the Department. Its responsibilities include personnel administration and training; labor-management relations; facilities management and property administration; records management; organizational and management analysis, productivity improvement; accounting; fund control; financial reporting; internal control; audit follow-up; credit management improvement; and administration of grants and contracts. The administration of the Department's Equal Employment Opportunity program and the Federal Real Property program, as well as investigation into complaints alleging non-compliance with the Family Educational Rights and Privacy Act and the Protection of Pupil Rights Amendment, also fall within OM's purview.

Office of Intergovernmental and Interagency Affairs. The Office of Intergovernmental and Interagency Affairs serves as the Department's primary liaison with State and local governments, other

Federal agencies, international organizations, domestic and foreign public officials, and education advocacy organizations. Through its Washington-based staff and ten regional representatives of the Secretary, this office ensures that existing programs at the State and local level and their impact are taken into account in the development of Department policy and facilitates the smooth flow of information between the Department and educational entities affected by Department programs and policies.

Office of Elementary and Secondary Education. The Office of Elementary and Secondary Education (OESE) administers programs geared to helping State and local education agencies expand educational opportunities for disadvantaged children and improving the achievement of elementary and secondary school students. OESE programs include Compensatory Education, Migrant Education, the Education Block Grant, Drug-Free Schools and Communities, Mathematics and Science Education, Impact Aid, and Indian Education. The FY 1988 budget for programs administered by OESE was \$5.9 billion.

Office of Postsecondary Education. The Office of Postsecondary Education administers the Department's higher education programs, including Federal student financial assistance, programs for institutional development, housing and facilities, assistance to veterans, international and graduate education, and the White House Initiative on Historically Black Colleges and Universities. The FY 1988 budget for programs administered by this office was \$8.9 billion.

Office of Educational Research and Improvement. The Office of Educational Research and Improvement is responsible for the Federal role in education with the longest tradition: gathering and reporting information on the status and condition of American education. The office supports, conducts, and disseminates research on education; collects and analyzes education statistics; gathers and disseminates information about education programs that work; administers a variety of school improvement programs; and administers the Department's programs geared toward enhancement of the Nation's libraries. The FY 1988 budget for programs administered by this office was \$274.3 million.

Office of Special Education and Rehabilitative Services. The Office of Special Education and Rehabilitative Services supports States and public agencies providing education and rehabilitation of people of all ages with disabilities; and supports research, demonstration projects, and training programs to improve delivery of educational and rehabilitation services and opportunities for individuals with disabilities. The FY 1988 budget for programs administered by this office was \$3.7 billion.

Office of Vocational and Adult Education. The Office of Vocational and Adult Education assists States in meeting the education needs of the work force and in providing adults with basic and career skills. The office's programs are geared toward ensuring equal access to vocational education for the disadvantaged, the handicapped, men and women entering occupations nontraditional for their gender, adults in need of training and retraining, single parents, and the incarcerated; as well as basic education for adults who lack basic literacy skills and secondary-level instruction for adults pursuing high school diplomas or their equivalent. The FY 1988 budget for programs administered by this office was \$1 billion.

Office of Legislation. The Office of Legislation coordinates efforts to achieve enactment of Administration legislative initiatives and bears responsibility for coordinating Department activities with the Congress and ensuring expeditious response to congressional inquiries by appropriate Department officials. For a summary of legislative activities undertaken in FY 1988, see page 27.

Office for Civil Rights. The Office for Civil Rights bears responsibility for enforcement of Federal laws prohibiting discrimination on the basis of race, color, national origin, sex, handicap, and age by education institutions that receive financial assistance from the Department. This responsibility is fulfilled through investigations and negotiations and, when appropriate, by the initiation of fund-termination proceedings before administrative law judges or referral to the U.S. Department of Justice for appropriate action in the U.S. District Court. As part of its enforcement responsibility, the office provides technical assistance to institutions on the requirements of these Federal laws to ensure voluntary compliance. The office also assists other departmental offices in ensuring that Federal assis-

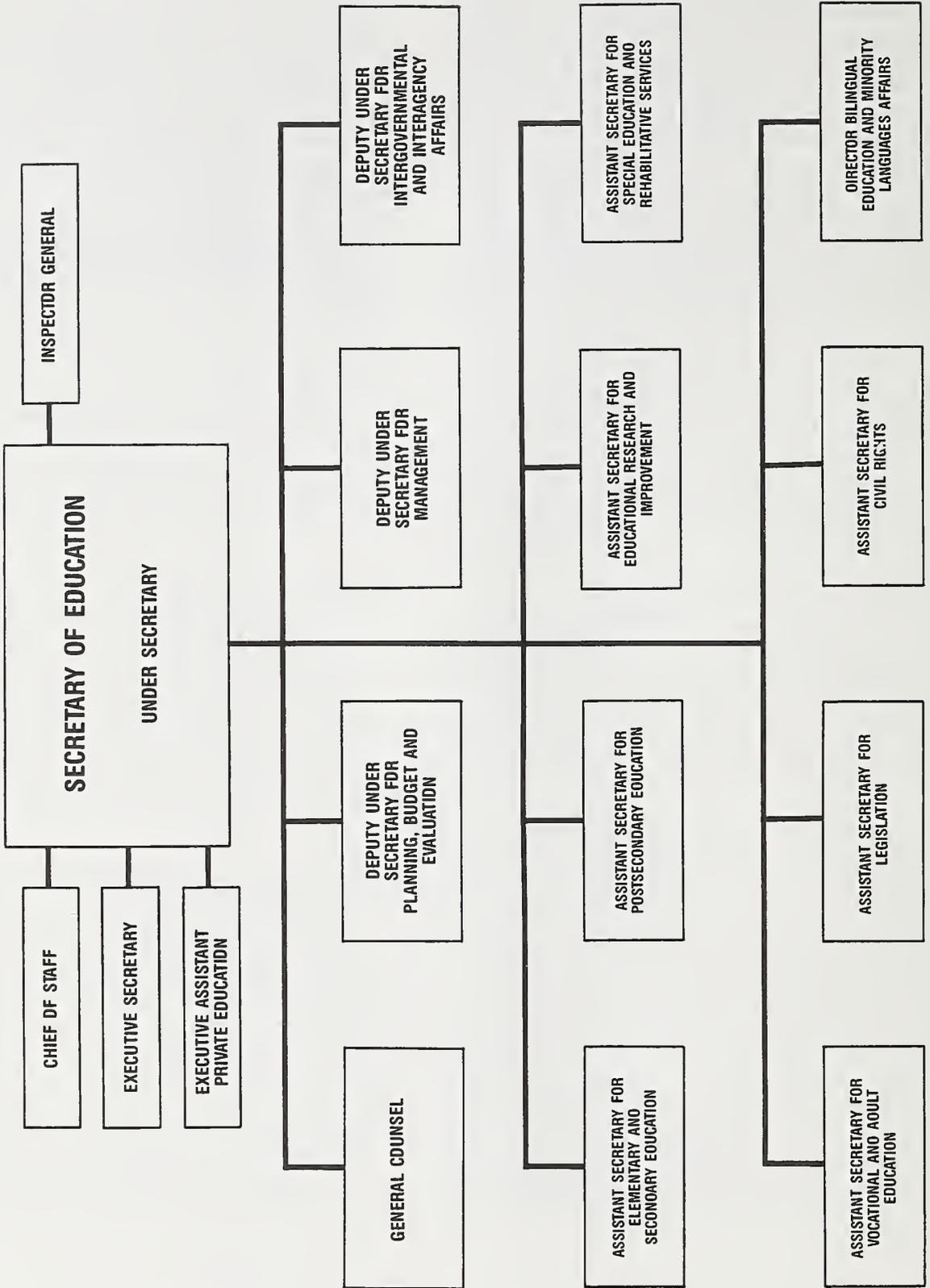
tance administered by those offices is consistent with Federal civil rights laws.

Office of Bilingual Education and Minority Languages Affairs. The Office of Bilingual Education and Minority Languages Affairs supports States and local schools in delivering special education services needed by students with limited proficiency in English. The office's bilingual education programs provide Federal assistance for a limited period of time, while States and local schools develop their own capacity to provide for students. Immigrant and refugee education programs provide partial compensation to school districts for the additional costs of educating immigrant and refugee children.

The FY 1988 budget for programs administered by this office was \$191.8 million.

Office of the Inspector General. The Office of the Inspector General conducts audits and investigations of the Department's programs and operations to identify fraud, waste, and abuse and to recommend corrective actions. These efforts are aimed at promoting economy, efficiency and effectiveness and at preventing and detecting fraud, waste and abuse of taxpayer funds administered by the Department. The Inspector General also recommends pursuance of administrative sanctions or criminal proceedings based on discovery of fraud and abuse.

U.S. DEPARTMENT OF EDUCATION



THE CHALLENGE: Increasing Access to Quality Education for All Americans

Enhancing educational opportunity for minority, disadvantaged, and at-risk children and youth

Fostering greater exploration of early childhood programs: a preventive approach

The impact of effective early childhood and pre-school education programs in overcoming the educational hurdles that threaten potentially at-risk children has only begun to be explored. Recognizing the potential of such programs, and the need for greater information on early intervention techniques and their impact, the Department launched several initiatives in FY 1988 to build on the body of knowledge available on such programs and to encourage greater exploration of their potential at the State and local level.

Funds from the Secretary's Discretionary Fund under Chapter 2 were used to conduct a National Conference on Early Childhood Issues, drawing together a broad spectrum of Americans with interest, expertise, and experience in early childhood matters. The Secretary also devoted Chapter 2 discretionary funds to two early intervention studies. The Office of Planning, Budget and Evaluation initiated a study, which began in FY 1989, on the transition from preschool intervention programs to regular school. Child care issues, particularly as they relate to latchkey children, were the focus of a conference convened by the Intergovernmental Advisory Council on Education, which resulted in a report disseminated nationwide in August 1988.

Extending the reach and effectiveness of programs for disadvantaged and minority children

Compensatory education. In FY 1988, approximately 5 million children in 14,000 school districts were provided with compensatory education services funded through distribution by the Depart-

ment of more than \$3.8 billion. More than 343,000 children of migrant workers were also served in 49 States, the District of Columbia, Puerto Rico and the Northern Marianas with \$269 million in Chapter 1 Migrant Education Program funds. An additional \$33 million was awarded to State education agencies for support of services tailored to neglected and delinquent children in State-operated or State-supported schools.

In its continuing efforts to ensure that Chapter 1 grants are properly administered at the State and local level, the Office of Elementary and Secondary Education conducted reviews in 29 States. To enhance the ability of local educators and administrators in meeting the needs of disadvantaged children, the Department disseminated detailed information about 123 current programs that have a proven track record of success, so that they can be replicated for the benefit of other students, and the Office of Planning, Budget and Evaluation launched a major national study of programs for neglected or delinquent children operated by the States.

Further, the Office of the General Counsel provided legal support services to attempt to ensure the enforcement of Chapter 1 statutory provisions for equitable services to private school students.

Indian education. In FY 1988, the Department continued its program to identify model Indian education projects for replication in areas serving American Indian children and awarded more than \$61.6 million for the improvement of educational opportunities for Indian children and adults. In addition, the Department supported five regional Resource and Evaluation Centers with \$2.2 million to provide technical assistance on Indian education programs and conducted 383 on-site reviews of projects receiving Federal funds.

Education for homeless children. Grants to the States in FY 1988 allowed them to set up offices and begin plans to identify rules and regulations that prevent homeless children from enrolling in schools and to devise plans to ensure that homeless children receive the same educational opportunities as other children.

Ellender Fellowships. Federal funds of nearly \$2.4 million combined with community-based matching funds to provide Ellender Fellowships for more than 5,000 low-income students and their teachers to participate in the Close-Up Foundation program in the 1987-88 academic year. The Close-Up Foundation promotes knowledge and understanding of the Federal Government among secondary school students.

International Exchange. To encourage information-sharing in meeting the needs of children faced with the educational obstacles unique to urban areas, the Department organized and sponsored a United States-United Kingdom exchange program for teachers and principals serving urban children. Participants received training in their respective education systems, taught in each others' classrooms for two weeks, and were exposed to different approaches to the challenges they face in their own schools. The Department prepared a videotaped presentation of the exchange program and distributed it to embassies around the world, to foster greater information-sharing among educators who deal with similar challenges in urban schools around the globe.

Seeking solutions to the dropout problem

Although the dropout problem cuts across all socioeconomic, regional, and racial lines, its impact is clearly most devastating among minority and disadvantaged youth. Despite the alarming national dropout rate, there are encouraging signs of progress in a proliferation of new, innovative approaches designed both to prevent youth from dropping out in the first place and to encourage dropouts to reenter school. Clearly, early intervention programs, such as those discussed previously, can play a key role in preventing dropouts among those most clearly at risk. To foster solutions to the staggering dropout problem, the Department supported a variety of efforts in FY 1988.

Enhancing retention of migrant children. Quantifying the scope of the dropout problem among children of migrant workers has been an even more difficult task, stymying efforts to prevent dropouts among these youth. To improve efforts to retain these children in education programs, the Department provided \$5.7 million to support the Migrant Student Record Transfer System and established migrant education development centers for the eastern, central and western migration streams with \$2.4 million in annual funding.

Encouraging innovation and experimentation. Successful approaches to dropout prevention vary widely from community to community; clearly, no single cure will work in every circumstance. To support greater development of effective programs, the Department awarded 89 two-year grants under the School Dropout Demonstration Assistance Program in FY 1988, with a total appropriation of \$24 million. Funds were provided for programs that drew on community involvement and local solutions to local dropout problems. Projects ranged from programs geared to identifying children at risk of dropping out at the elementary and secondary levels, to some encouraging dropouts to reenter school, to others that enhanced tracking of students and record keeping. The Department's Office of Vocational and Adult Education also focused research and demonstration initiatives on innovative vocational education approaches to combating the dropout problem. The Office of Educational Research and Improvement also published *Dealing with Dropouts: The Urban Superintendents' Call to Action*, which outlined six strategies being used to lower dropout rates in some of the country's largest urban school districts.

Furthermore, the Department's Outreach Information staff worked closely with regional offices to monitor electronically education developments in communities and States across the country, providing program and policy development staff with valuable insight into locally based education initiatives.

Expanding opportunities for disabled children and youth

The Office of Special Education and Rehabilitative Services focused efforts in FY 1988 on activities directed toward providing disabled children

and youth with opportunities for full participation in the Nation's education system and in the work force.

Classroom integration with non-disabled peers. Ninety-six research and demonstration projects were funded to improve the placement and integration of students with severe handicaps into classrooms with their non-disabled peers. An additional 189 projects that included components geared toward integration of disabled students were also supported.

Improving effectiveness of programs for learning-disabled children and youth. Local and state activities to identify and serve learning-disabled children were assisted in their efforts to ensure effectiveness by the Department through evaluation studies and technical assistance.

Exploring innovative approaches. The Department offered strong Federal support to encourage identification of new approaches and improvement of existing programs to meet the needs of disabled children and adults through a wide variety of research and demonstration projects. New competitions were held for 25 rehabilitation research and training centers; 12 rehabilitation engineering centers; 18 field-initiated research projects; 12 research and demonstration projects; 2 research, training and career development awards; 21 innovation grants; 9 fellowships; and 13 spinal cord injury programs. The Department also provided support to continue a number of successful, ongoing projects and joined with the Organization for Economic Cooperation and Development to share information about effective programs in the education, training, and employment of the handicapped with educators and policymakers in an international network.

Efforts to break new ground in improving English-language acquisition among children who are deaf received priority funding from the Department in FY 1988. The Corliss Institute in Rhode Island was awarded a grant for a three-year project to assess English competency; analyze methodology in English-language instruction and teacher-training programs; develop state-of-the-art instructional materials; and share the fruits of the project with educators throughout the country.

Breaking down barriers to opportunity for students with limited English proficiency

The immediate impact of new immigrant populations presents tremendous challenges to school districts where immigrants are concentrated. To assist States and local districts in serving the needs of populations with native languages other than English, the Department provides support for a wide variety of educational programs geared toward improving these students' English proficiency as rapidly as possible, so they can fully participate in regular classrooms with their English-proficient peers.

Instructional support. More than 670 grants totaling more than \$101.2 million were awarded to support the instruction of limited-English-proficient students. While transitional bilingual programs accounted for 82 percent of the funding, 62 grants were awarded to special alternative instructional programs (those not requiring the use of a native language in the teaching of English). Legislation governing grants for instructional programs was amended to permit use of up to 25 percent of available funds for special alternative programs. Other supported projects included whole-family approaches to improving English proficiency and programs geared toward meeting the needs of learning-disabled children with limited English proficiency. Eleven academic excellence grants totaling \$1.5 million were awarded for dissemination of exemplary projects for assistance in developing effective programs. The Department supported local districts that served limited-English-proficient students in preschool, special education, and gifted and talented programs. The Department's efforts also included support for bilingual vocational instruction to ensure that vocational opportunities were made available to limited-English-proficient students.

Refugee and Immigrant Programs. The Transition Program for Refugee Children served more than 77,800 children in 47 States, the District of Columbia and Puerto Rico in FY 1988 with \$15.2 million, and the Emergency Immigrant Education Program served more than 427,800 students in 30 States and the District of Columbia with funding of \$30 million.

Expanding and improving the pool of qualified teachers. The Department helped address shortages of teachers qualified to teach students with limited English proficiency through a variety of programs, including financial assistance to higher education institutions, short-term training programs for teachers and parents, and evaluation and resource centers that provide technical assistance and training to State and local bilingual education staff.

Research. The Department also helped 52 State education agencies study their States' limited-English-proficient populations to plan for and meet their educational needs. Special studies were also launched to evaluate the effectiveness of existing Federal programs, analyze achievement of limited-English-proficient students, and identify exemplary inservice training programs for teachers.

Opening doors to greater opportunities in higher education

As we approach the 21st century, when experts predict that a majority of jobs will require some postsecondary education, we must open more doors to higher education to ensure that we have a work force prepared for the next century.

Seeking solutions to spur greater minority participation. To help advance efforts to increase minority participation in higher education, the Department's Minority Participation in Graduate Education Program enables institutions of higher education to provide undergraduate minority students (traditionally underrepresented in graduate education) who demonstrate academic potential and financial need, with opportunities for research and study programs designed to prepare them for graduate study. These programs expose sophomore, junior, and senior fellows to rigorous research experiences, internships and seminars in summer and fall sessions held on the grantee's campus. In FY 1988, \$3.3 million was awarded to support 39 programs.

Financial assistance to students. The Department offers five major student financial aid programs. Stafford and PLUS/SLS loans are low-interest loans made by lending institutions. These loans are insured by the Federal Government. Perkins loans are low-interest loans available through a school's financial aid office. Each of these three programs involves a loan, which, of course, must be repaid.

A Pell grant is an award to help undergraduates pay for their postsecondary education. For undergraduates with exceptional financial need, a supplemental educational opportunity grant (SEOG) may be awarded. Because the funds awarded to students under the Pell and SEOG Programs are grants, they do not have to be repaid. Finally, the College Work-Study Program provides jobs for undergraduate and graduate students needing financial aid.

Continued support for historically black colleges and universities. The 27 agencies involved in the White House Initiative on Historically Black Colleges and Universities reported spending \$717.4 million in FY 1988 for carrying out their responsibilities. Funds were dedicated to research and development efforts, as well as to institutional support for these schools that have opened countless doors of opportunity for black Americans. The White House Initiative also forged new alliances between historically black colleges and universities and major research institutions in FY 1988 through the Third Annual Science and Technology Symposium.

Responding to the Nation's increased need for vocational training. The Department responded to new skill demands in the work force with programs geared to enhance the availability and quality of vocational education programs. Recognizing the growing importance of training offered at community colleges, technical institutes, area vocational schools and trade schools, the Department reorganized the Division of Vocational Education and renamed it the Division of Vocational-Technical Education in July 1988.

Fifty-three grants were made to States and an equal number to State councils on vocational education to help meet the vocational training needs of the States. The Department also provided technical assistance to State programs and launched initiatives in vocational education research and demonstration in high technology, retraining displaced workers, and workplace literacy. An estimated 28 percent of the Department's student financial aid dollars was granted to students pursuing vocational education at the postsecondary level.

Extending educational opportunities for adults

Concurrent with the national emphasis on expanding educational opportunity for school-age youth, the Department supported a variety of programs in FY 1988 geared to increasing literacy among, and expanding education opportunities for, America's adults.

Fighting illiteracy. The common theme of the Department's adult literacy efforts was coordination with the private sector. In conjunction with the Department of Labor, the Department published more than 80,000 copies of a new handbook, *The Bottom Line: Basic Skills in the Workplace*, to help businesses, educators, and local governments identify workplace literacy problems and establish effective programs to improve labor force literacy. The Department also fostered research efforts to identify better methods of adult learning, served as a clearinghouse for dissemination of information on effective adult literacy programs, and identified and recruited resources for implementing literacy efforts at all levels.

Continuing its efforts to support expanded availability of a key tool in improving literacy—public libraries and library services—the Department provided \$135.1 million for improvement of library services in communities across the United States. Programs supported ranged from research and training projects to literacy projects. National surveys on public and academic libraries were launched in FY 1988, and a two-year study aimed at identifying a national agenda for library research to meet the needs of the next decade was completed with the publication of *Rethinking the Library in the Information Age: Issues in Library Research—Proposals for the Nineties*.

Awards of \$6.9 million in FY 1987 funds and \$7.2 million in FY 1988 funds were made to States for the delivery of education services to homeless adults under the Stewart B. McKinney Homeless Assistance Act.

Building a better prepared work force. In FY 1988, the revised Adult Education Act was reauthorized through FY 1993. Grants totaling \$115.4 million were made to States to help adults acquire basic skills in order to profit from employment-related training and to complete high school. Ten percent of the grants, or \$11.5 million, was used by the

States to support more than 400 projects for experimental demonstration and teacher training. Of the 3 million Americans served through adult education program grants, about 65 percent were receiving adult basic education, 31 percent were limited-English-proficient, and 6 percent were institutionalized adults.

After participating in the programs, 116,000 unemployed participants secured jobs, and 26,200 were no longer dependent on public assistance. More than 222,000 adults passed the General Educational Development tests, and an additional 69,000 earned high school diplomas.

The Department awarded 37 grants totaling more than \$9.6 million to support workplace literacy projects joining schools, colleges, community organizations, businesses, industry, and labor together in partnerships geared toward improving job skills and advancing workers' potential.

The Rehabilitation Services Administration continued its effort to increase and improve delivery of employment services, such as counseling, job training and medical and psychological services, to Americans with physical or mental disabilities. Grants were awarded to support demonstration projects, independent living centers, and training efforts.

Combating discrimination in education

With enactment of the Civil Rights Restoration Act of 1987, the jurisdiction of the Office for Civil Rights was greatly expanded. During FY 1988, 3,531 complaints were received, the highest number in five years. Of these, approximately 526 (15 percent) involved refiled complaints that had been closed for lack of jurisdiction in areas over which the office now has jurisdiction as a result of the Civil Rights Restoration Act. A majority of the refiled complaints involved student health plans at postsecondary institutions. Table 1 shows the number and type of complaints received in FY 1988.

Forty percent of the complaints received involved elementary and secondary schools; 53 percent involved postsecondary schools; 2 percent involved vocational rehabilitation agencies; and 5 percent involved other entities. Eighty-three percent

Table 1: Complaints Received in FY 1988

Basis of complaint	Number	Percent
Handicap	1,323	37
Sex.....	880	25
Race	416	12
National origin.....	83	2
Age	56	2
Multiple bases (race & sex).....	635	18
Other.....	138	4
Total.....	3,531	100

alleged discrimination in the delivery of services, while most of the remainder alleged discrimination in employment.

Nearly 2,800 complaints (some of which were filed in previous years) were closed in FY 1988, 83 percent of which were new and 17 percent of which had been refiled under the new jurisdictional authority of the 1987 Civil Rights Restoration Act. At fiscal year's end, 1,404 complaints were pending.

Since the early 1970s, the Office for Civil Rights has been operating under a series of court orders issued in *Adams v. Cavazos* that severely restrict the Department's flexibility in fulfilling its civil rights enforcement responsibilities. On December 11, 1987, the U.S. District Court held that the *Adams* case should be dismissed on the basis that the plaintiffs lacked standing to continue the lawsuit. On July 7, 1989, the U.S. Court of Appeals for the District of Columbia Circuit decided that the plaintiffs do have standing but ordered that a series of other legal issues be addressed that could result in dismissal of the case. The Office for Civil Rights has continued to adhere to the procedures and timeframes imposed by the *Adams* case.

Scrutinizing civil rights practices of education institutions. The Department initiated 245 reviews of education institutions' practices in FY 1988 to examine compliance with civil rights statutes. Sixty-six percent of the reviews initiated involved elementary and secondary schools, covering such issues as failure to provide free, appropriate public education for handicapped students, discrimination within schools, and discrimination in vocational education programs and special-purpose schools.

Thirty-four percent of the reviews involved post-secondary institutions (including vocational rehabilitation institutions) and addressed issues such as admissions discrimination, vocational education, program accessibility and student services. Table 2 below shows a breakdown of compliance reviews by basis and number:

Table 2: Compliance Reviews in FY 1988

Basis of review	Number	Percent
Handicap	111	45
Sex.....	47	19
Race or national origin	27	11
Multiple bases (race & sex).....	60	25
Total.....	245	100

Nearly 265 compliance reviews, some launched in previous years, were completed in FY 1988, and 64 reviews remained to be completed at the end of the fiscal year.

Taking action against violators. Of the 15 cases in active enforcement litigation during FY 1988, the Office for Civil Rights (OCR) expedited remedies by negotiating settlement agreements in 6 cases prior to trial. Two cases involved the securing of auxiliary aids for hearing-impaired students at institutions of higher education; one case involved the provision of proper due-process procedures to review the placement of children with disabilities by a State department of education; one case involved the provision of transportation for children with disabilities by a State department of education; and one case involved employment discrimination on the basis of sex and handicap by a local school district. Another case involving within-school systemic racial discrimination in student assignments was settled during FY 1988 after decisions favorable to the Department were issued by the administrative law judge and the Civil Rights Reviewing Authority during previous fiscal years.

Further, during FY 1988 OCR received favorable decisions by administrative law judges in two cases: One involved a refusal of a school district to provide OCR with information necessary to investigate a complaint of alleged sex discrimination in extra-curricular activities. The other involved a major metropolitan school district alleged to have engaged in systemic extraordinary delays in evalua-

tion and placement of children with disabilities. The latter case has recently been settled, partly in response to a decision by OCR, based on the administrative law judge's decision not to accept the civil rights assurance submitted by the school district with its application for assistance under the Magnet Schools Program.

Ensuring that remedies are carried out. In cases where States or institutions agree to institute remedies to civil rights violations in response to complaints or compliance review findings, the Department closely monitors implementation of those remedies. During FY 1988, the Department monitored 769 such remedy actions to ensure compliance.

Since the early 1980s, the Department has been monitoring implementation of desegregation plans in 14 States found to have been operating racially dual higher education systems. In Kentucky, Maryland, Pennsylvania and Texas, these plans were scheduled to expire after academic school-year 1985-86, resulting in close scrutiny of desegregation by the Department in FY 1988. On-site reviews were conducted at selected institutions, and reports on desegregation efforts were developed.

The Department's monitoring of the 10 other States implementing desegregation plans showed that Arkansas, the North Carolina community college system, South Carolina and West Virginia were in compliance with Title VI of the Civil Rights Act of 1964, while Delaware, Florida, Georgia, Missouri, Oklahoma, and Virginia had not fully implemented all desegregation plan measures. The Department consequently advised those six States

that they were obliged to correct inadequacies in their implementation of desegregation plans by December 31, 1988. With respect to construction and renovation projects that could not be completed by December 31, 1988, the States were to submit to the Department a detailed account of circumstances prohibiting their full implementation by that date.

The Department also conducted outreach efforts offering technical assistance to improve civil rights compliance and provided 2,740 technical assistance deliveries to more than 16,800 individuals and organizations. Technical assistance covered such issues as program accessibility, free appropriate public education, providing auxiliary aid and services, reasonable accommodations, sexual harassment, grievance procedures, placement and services for limited-English-proficient Americans, and employment. Further, the Department awarded 52 State education agencies a total of about \$15.2 million under the Title IV Training and Advisory Services Program and funded Desegregation Assistance Centers with \$8.2 million.

Ensuring nondiscrimination in magnet school grant programs. Under the legislation governing magnet schools assistance, the Office for Civil Rights is responsible for reviewing applications to ensure nondiscrimination on the basis of race, color, national origin, and religion and to determine whether the proposed magnet school plans are eligible under the regulations implementing the program. Of the 38 local education agencies that applied for continuation grants in FY 1988, all were found to be eligible for funding.

THE CHALLENGE: Raising Expectations for Excellence

Assessing the bottom line

As we approach the second decade of the education reform movement in the United States, it is crucial that we, as a Nation, constantly measure our progress and evaluate the successes and failures of experiments in education reform.

Revisiting "A Nation At Risk." Perhaps more than any other single initiative, the landmark 1983 report by the National Commission on Excellence in Education is credited with spurring education reform across the United States. In FY 1988, five years after *A Nation At Risk* was released, the Secretary presented the President with a follow-up report, *American Education: Making It Work*. The report examined the fruits of the reform movement since 1983, citing progress in some areas, but pointing out significant challenges yet to be met, including improvements in curriculum and content reform, recruiting and rewarding teachers and principals, access to quality education, and accountability in the education system.

Annual State Education Performance Chart. Also known as the "Wall Chart," this compilation of State-by-State statistics on student scores on college entrance examinations, high school graduation rates, teacher salaries, pupil-teacher ratios, and education spending was released by the Secretary for the fifth consecutive year. It was originally developed in response to calls from education leaders for standardized statistical profiles to permit comparisons between States and from year to year. The 1988 Wall Chart showed that overall student performance in the ACT and SAT college entrance tests had not improved, although participation increased. The chart also indicated that teacher salaries and current per pupil spending rose in real terms, while pupil-teacher ratios declined.

Annual Evaluation Report. This report on federally funded programs administered by the Department of Education is submitted annually to the

Congress. In FY 1988, it reported on 117 programs and included recent evaluation findings, particularly about Chapter 1 and student financial aid programs.

Common Core of Data. The Common Core of Data (CCD) is an annual survey that collects general-purpose statistical information on the universe of public elementary and secondary schools (approximately 83,000) and public school districts (approximately 16,000) in 50 States, the District of Columbia and outlying areas. Most of the data are obtained from administrative records maintained by State education agencies, which compile CCD-requested data into prescribed formats and transmit the information to the National Center for Education Statistics.

Integrated Postsecondary Education Data System (IPEDS). IPEDS is a data collection system designed to collect basic statistics from postsecondary education institutions across the country. Topical areas covered in IPEDS include institutional characteristics, enrollment, completions, residence, finance, staff, salaries, and libraries.

National Postsecondary Faculty Survey. The Department completed the data collection phase of this project, which will provide the first national data on the characteristics of faculty at postsecondary institutions and on practices and policies directly related to faculty, such as hiring practices, tenure and benefits.

1987 Survey of Recent College Graduates. The 1987 Survey of Recent College Graduates, which collected data from a sample of 1985-86 college graduates and included transcripts collection, has been completed. It provides a comprehensive data base for examining employment outcomes and access to graduate studies by baccalaureate recipients as well as for estimating the number and percent of graduates entering the teaching profession.

The Condition of Education. This annual report to the Congress from the National Center for Education Statistics consists of two sets of indicators: elementary and secondary education (Volume 1) and postsecondary education (Volume 2).

National Postsecondary Student Aid Study. This congressionally mandated study is conducted once every three years. The first cycle was completed in FY 1988. The study collects data from a sample of students, both full time and part time, aided and non-aided, in all types of postsecondary institutions and at all levels. The study provides data on the sources and distribution of student financial aid and provides data on the background and characteristics of postsecondary students in the country.

National Assessment of Educational Progress. Efforts to expand the scope of the national assessment of progress in education, and thereby increase its utility as a tool in increasing educational excellence, included development of a new assessment of mathematics education at both the national and State levels, to be launched in 1990. New measurement instruments also were developed to assess science and reading education.

National Assessment of Vocational Education. In FY 1988, briefing papers and two major interim reports were submitted to the Congress reporting preliminary findings on the ways that the States are implementing the Carl D. Perkins Vocational Education Act at the secondary and postsecondary levels.

Identifying paths to excellence

In recognition of its unique role in providing direction to grass-roots education reform efforts, the Department undertook several initiatives in FY 1988 geared toward identifying sound approaches to promoting excellence in education.

Raising curriculum standards. As the follow-up report to *A Nation At Risk* showed, the goal of attaining significant improvement in what American students are learning has yet to be reached on a national scale. To provide guidance for raising curriculum standards, the Secretary issued *James Madison High School: A Curriculum for American Students* and *James Madison Elementary School: A Curriculum for American Students*. These reports detail model curricula that would provide students

with the well-rounded, sound education necessary to understanding the global society they will inherit and to participating fully in that society.

In addition to national leadership on reforming curricula, the Secretary's Discretionary Fund for Programs of National Significance in Mathematics and Science, Computer Learning, and Critical Foreign Languages funded projects totaling about \$10.7 million. The Secretary awarded 29 grants for math and science projects for underserved gifted and talented students; 11 grants for technology education projects; and 23 grants for critical foreign languages projects. To ensure that these projects were guided by the best information and research available, the Department established national research and development centers to improve teaching and learning in both math and science. The Department also began work on implementation of the Dwight D. Eisenhower Mathematics and Science Education Act in FY 1988.

Following up on the national celebration of the Bicentennial of the U.S. Constitution, the Department also awarded funds to 17 projects to encourage greater study and understanding of *The Federalist* among students.

Time for Results. Jointly with the National Governors' Association, the Department continued "Time for Results," a pilot project in which sixteen school districts in eight States are experimenting with various reform initiatives. The Department sponsored two forums for participating States and educators to discuss their successes and failures to date and to identify barriers to reform and the means to break down those barriers.

Putting high technology to work for educational excellence. The Department sponsored five seminars and audio conferences on "Technology/What Works," arming educators in the field with details about how to bring the best in education to students in remote areas using telecommunications. The Department also awarded funds to establish a national Center for Technology in Education, to research effective use of technological innovations in education. Eleven grants were awarded to State education agencies to foster technology education projects, and the Department sponsored two educational television series, "Square One" and "3-2-1 Contact," with \$2 million.

Improving school administrators' leadership skills. The Leadership in Educational Administration and Development Program provided technical assistance and supported training centers to improve leadership skills among school administrators. Support was provided for efforts in each of the 50 States, the District of Columbia and the six outlying areas in the Caribbean and Pacific.

Fostering a drug-free environment for America's youth

The Department marshaled resources from throughout its program offices in the fight against drugs, to engender an atmosphere where schools are *expected* to be drug-free.

Arming community-based drug prevention efforts with educational tools. Through the largest Federal government-generated dissemination effort targeted to the Nation's schools, the Department sent 150,000 anti-drug videocassettes to the 15,700 school districts in the United States in FY 1988. The video productions included 10 anti-drug films produced with funding from the Department. Some starred television personalities popular with young viewers. The films were produced for varying school grade level audiences, allowing local schools to tailor their drug education efforts for maximum impact on various age groups.

Through outreach efforts both from the Washington headquarters and from each of the secretary's ten regional representatives, the Department's "Schools Without Drugs: The Challenge" program enrolled an additional 4,000 schools and 350 school districts in its nationwide drug prevention campaign in FY 1988, bringing the total participation to 5,600 schools and districts. *The Challenge* newsletter, disseminated nationwide to those involved in the war on drugs in the Nation's schools, continued to provide schools with up-to-date reports on successful drug prevention programs and research. Also, 250,000 copies of the highly successful *Schools Without Drugs* handbook were distributed by the Department in FY 1988, and the Department's anti-drug public service announcement campaign generated 63,000 inquiries for materials and assistance in community-based drug prevention efforts. The Department also published a guidebook on drug-prevention curricula

and enlisted about 750 institutions in the Network of Drug-Free Colleges.

Federal support for community-based efforts. Through the Drug-Free Schools and Communities program, the Department awarded \$229.8 million to establish 15 drug-abuse education and prevention programs and activities with related community efforts and resources, including emergency grants to schools fighting extreme illegal drug use. More than \$191 million was given directly to States and local education agencies to tailor anti-drug efforts to their circumstances and populations. Another \$38 million was targeted to teacher training efforts, grants to colleges and universities, and Indian and Hawaiian youth programs. This includes \$9.8 million for 101 awards made by the Fund for the Improvement of Postsecondary Education for drug and alcohol abuse prevention programs geared toward higher education institutions.

Also, the Department was actively involved in five regional meetings addressing drug prevention among school-age children, as well as the White House Conference for a Drug-Free America. The Department helped prepare the final report of the conference, which was presented to the President and Congress in June 1988.

Highlighting what works. Through its Drug-Free Schools Recognition Program, in which recognized elementary and secondary schools must demonstrate superior effectiveness in combating drugs through comprehensive, ongoing anti-drug programs, the President and Secretary honored 30 exemplary schools at a White House ceremony in May 1988, drawing national attention to their success stories in the war against drugs.

Promoting and rewarding excellence

In recognition of its unique position to draw attention to and thereby foster replication of successful endeavors toward educational excellence, the Department sponsored several initiatives to put excellence in the national spotlight.

Presidential Academic Fitness Awards. More than 1.3 million students across the country received 1988 Presidential Academic Fitness Awards in recognition of their outstanding academic achievements. Students in their final year of elementary,

junior high, and high school who accumulated a grade point average of B+ or better and scored in the top 20 percent on a national standardized achievement test were recognized. (High school award winners also were required to complete a solid core of academic courses.)

Rewarding outstanding teachers. Through the Christa McAuliffe Fellowship Program, 115 outstanding teachers received awards totaling \$1.9 million in FY 1988. About one-third of the awards were made to teachers who intend to carry out math and science projects, one-third for

projects in the arts and humanities, and the remainder to assist teachers seeking advanced degrees or writing books.

National Elementary School Recognition Program. Continuing its efforts to spotlight outstanding schools, the Department sponsored a special ceremony in FY 1988 for 287 excellent schools at the elementary level. School officials were honored in Washington, D.C., for their commitment to excellence and demonstrated success. In alternate years, the Department honors outstanding secondary schools.

THE CHALLENGE: Holding the Education System Accountable for Results

Cracking down on Federal student loan defaults

Improving accountability in student loan programs. In FY 1988, the Department launched a major initiative to reduce the escalating costs of student loan defaults to the American taxpayers. To improve accountability in the program, the Department issued new regulations aimed at building greater accountability on the part of schools whose students are recipients of Federal financial assistance. Administrative procedures were developed and implemented calling for sanctions against higher education institutions with excessive default rates with emphasis on increased monitoring and training of lender and postsecondary institution officials. Through litigation, the Department succeeded in defending the collection of defaulted student loans through offsets against income tax refunds, which resulted in collection of more than \$96 million in FY 1988, bringing total collections during this three-year program to \$436 million. In addition, nearly 15,000 student loan defaulters now employed by the Federal Government were obliged to make payments on their loans through salary offset. The Office of the Inspector General initiated a nationwide effort in FY 1988 directed at the identification and elimination of student aid abuses by owners, operators, and employees of higher education institutions. The effort contributed significantly to the formulation of improved administration of the program and led to penalties and criminal indictments against those illegally obtaining student aid funds.

Further, in FY 1988, the Department published new regulations requiring greater accountability on the part of guarantee agencies and lenders, holding them responsible for specific activities to collect delinquent and defaulted loans within specific timeframes.

Providing solid stewardship of taxpayer funds

Eliminating waste. Several activities were undertaken by the Department in FY 1988 to improve cost-effectiveness in the Department's programs. The Department also consolidated, reassigned, and relocated some employees to reduce the amount of office space necessary and reduce the use of privately leased facilities, saving roughly \$2.6 million. The Department's separate warehouse facility was closed, and its stored contents were relocated in a General Services Administration facility.

By selling 694 college housing and academic facility loans made to 411 colleges and universities to a private-sector special trust, the Department was able to return \$314 million to the Treasury. The Department was the first Federal agency to complete a loan sale in FY 1988.

The Department also revamped its audit and audit-resolution process to improve cost effectiveness and, through litigation, recovered approximately \$35 million in audit claims.

In FY 1988, 5,810 audit reports were issued by the Office of the Inspector General (OIG), including audits performed by non-Federal auditors involving Department funds. These reports contained recommendations for improving cost effectiveness and efficiency in administration of departmental programs by the Department itself and by agencies and institutions that administer programs using Department funds. Audits recommended disallowance of \$93.8 million in expenditures, raised questions on costs totaling \$268.9 million, and made recommendations for more efficient expenditure of \$399.4 million. In audit reports resolved during FY 1988, program managers sustained \$61.2 million in costs questioned or recommended for disallowance and \$124 million in recommendations for more efficient use.

Further, in an effort to enhance cost effectiveness in the Department's auditing activities, OIG carefully monitored the audits performed by non-Federal auditors. In FY 1988, OIG made 16 referrals of certified public accountants to the American Institute of Certified Public Accountants and to State regulatory bodies for disciplinary action as a result of violations of government accounting standards.

Attacking fraud and abuse. In FY 1988, 186 indictments were filed, and 100 convictions were won against individuals and institutions charged with fraud and abuse of Department programs. OIG launched 333 investigations into allegations of fraud and abuse and completed 330. Three hundred twelve cases were referred to U.S. attorneys, of which 149 were accepted for prosecution. The Department's waste, fraud and abuse hotline generated 125 allegations in FY 1988. Of the 115 hotline allegations closed during FY 1988, 19 were substantiated and resulted in corrective actions.

Improving efficiency and effectiveness. A department-wide effort to improve the regulations and grants process continued experimentation with strategies to expedite the awarding of grants, eliminate unnecessary paperwork in the regulatory process, improve accountability in Department programs, and lower costs. The Department's internal regulatory process was revamped, resulting in more timely transmission of 337 documents to the *Federal Register* for publication.

A new policy was developed to expedite resolution of audits involving interest earned on Federal funds held by auditees, and a model final letter of determination was developed to assist departmental offices in their audit resolution process. In addition, the Department established a special audit data base for vocational and adult education to ensure that audit-related activities are performed in a timely and efficient manner.

To replace its obsolete Central Accounting System, in FY 1988 the Department developed a new accounting system that incorporated the government-wide Standard General Ledger. In conjunction with the Office of the Inspector General, the Office of Management initiated a review of the Department's financial subsystems—those providing financial data to the Central Accounting System, such as student aid and impact aid sub-

systems—to improve internal controls necessary to ensure that accurate accounting data are provided. The Department also conducted the largest cash reconciliation ever accomplished between the Central Accounting System and the Department of the Treasury.

Conversion from a paper-based process for fund disbursement to an automated system reduced from several weeks to four days the average wait for the 100,000 payments totaling \$12 billion a year to 14,000 recipients.

A new automated grants and contracts management system and expedited application procedures helped the Department award 77 percent of its grants by June 30—an increase of 16 percent over the previous year and of 32 percent since FY 1986—thereby enhancing the advance planning ability of grant recipients.

Reviewing institutional effectiveness for greater accountability

The Office of Postsecondary Education conducted 1,066 reviews of postsecondary educational institutions and lenders in FY 1988, as a result of which more than \$29.5 million in liabilities were assessed. In addition, more than 27 termination actions were initiated against postsecondary institutions that committed major program violations.

Improving program accountability for effective results

Implementing program improvements under the Hawkins-Stafford Elementary and Secondary School Improvement Amendments was a department-wide priority in FY 1988, drawing on the expertise and resources throughout the Department to develop new regulatory guidelines and initiate complementary research efforts.

The reauthorized program established a "Federal, State, and local partnership for educational improvement" which replaces the Chapter 2 ECIA block grant program. Chapter 2 funds must now be used for services to at-risk students; instructional materials; schoolwide improvements; "effective schools" programs; programs promoting personal excellence of students and student achievement; and enhancement of the educational program and climate of the school. State education agencies bear

basic responsibility for administration of Chapter 2 funds to the States, while specific needs and priorities are determined by local education agencies.

In FY 1988, States received \$478.7 million in Chapter 2 State Block Program funding. Up to 20 percent of the funds may be retained at the State level; at least 80 percent must be passed through for use by local schools.

Consolidated Grants for Insular Areas provided approximately \$23.7 million from specific set-asides to permit areas to consolidate applications for assistance under 21 designated programs.

With the authorization of the Carl D. Perkins Vocational Education Act scheduled to expire in FY 1990, the Department began work in FY 1988 on a proposal to reauthorize the legislation, with emphasis on building more accountability and flexibility into Perkins Act programs.

Consumer protection and information

Hand in hand with an emphasis on accountability, the Department undertook several initiatives aimed at arming educational consumers with information to help them make sound choices. Publication of *Consumer Rights and Accountability in Postsecondary Vocational Education* drew national attention to the practices of some postsecondary vocational institutions that lure students into borrowing Federal student aid funds for fallaciously advertised and inferior programs. New regulations emphasizing the responsibilities of accrediting agencies for assessing the effectiveness of educational programs and encouraging truthfulness in institutional claims went into effect on September 1, 1988. Work with the National Council for Patient Information and Education resulted in a newsletter, "Communicate Before You Medicate," which was distributed to every pharmacy in the United States. The newsletter is aimed at reducing potentially hazardous misuse of medication stemming from literacy problems. The Department also published a guide to Department programs, processed 2,144 Freedom of Information Act requests, and responded to more than 31,000 requests for information about education-related research and statistics. A competition was held for the ACCESS ERIC contract, a new activity designed to facilitate public

access to the publications and services of the Educational Resources Information Center.

Building accountability through community-wide involvement

Through 18 active advisory councils and committees and through outreach efforts of the Office of Intergovernmental and Interagency Affairs, the Department engendered greater involvement in education policy and program development by education, community, business, and government leaders across the United States. The Department also undertook several initiatives to increase private-sector involvement in education through the School, College, and University Partnership Program; grant awards for projects to increase college student participation in community service; four demonstration projects to develop school volunteer programs nationally; and a \$30,000 award to the Institute on Rehabilitation Issues, which brings together public and private sector personnel to address rehabilitation issues. In addition, the Department conducted a survey on the status of public-private partnerships in education throughout the Nation, resulting in publication of *America's Schools: Everybody's Business*, which was widely distributed in the private sector and the education community.

In conjunction with the White House and the Department of Health and Human Services, the Department hosted a White House Forum on Supported Employment, drawing together government, community, and private-sector leaders participating in programs that bring severely handicapped people into the workplace with the help of trained job coaches. As a result of the conference, agreements were developed between corporations and State networks to increase the number of supported employment opportunities. The Department also sponsored a conference on supported employment for regional Department staff, to identify and share information on how to increase effectiveness of program administration.

Through a joint seminar, the Federal Interagency Committee on Education (FICE) and the American Society for Quality Control launched a National Educational Quality Initiative. Membership in FICE and its subcommittees now totals 215; 53 agencies are represented. The Department also released a report of the OERI State Accountability

Study Group with the publications, *Creating Responsible and Responsive Accountability Systems* and *Measuring Up: Questions and Answers about State Roles in Educational Accountability*.

Coordination with and responsiveness to the Congress

The Department responded to about 250 requests from members of Congress and the Administration for review of proposed or pending legislation in FY 1988 and to more than 1,000 questions about Department programs and activities raised in congressional hearings. In addition to providing Members of Congress and their staffs with briefings on Department proposals and activities, the Department notified members of about 7,750 discretionary grant awards totaling approximately \$1 billion to agencies and institutions across the United States. The Department also responded to approximately 3,750 congressional letters and 13,500 telephone inquiries from congressional staff.

Improving employee communications for greater accountability

Through the Horace Mann Learning Center, the Department offered employees numerous training and skill-enhancement opportunities in areas ranging from accounting to management to greater understanding of the educational challenges toward which the Department's resources are directed. To communicate the Department's mission more effectively to employees and to clarify what is expected of them, the Department issued an orientation guide for new employees; guidance on adherence to the Hatch Act, acceptance of gifts by Federal employees from prohibited sources, and post-employment

conflicts of interest; and updated policies and procedures regarding Privacy Act enforcement, with emphasis on safeguarding protected information in the computer age.

Providing institutional training for greater accountability

The Institutional Quality Control Pilot Project, which began during the 1985-86 school year, is intended to reduce the high level of errors by both students and institutions in the student financial aid programs by establishing quality control systems at the institutional level. As quality control models are developed and implemented, the Department will consider various types of regulatory burden relief that will result in cost savings to both government and the institution while improving management of the programs. Approximately 70 schools will participate in the project during the 1989-90 academic year.

Impact Aid

Continuing its efforts to ensure proper administration of Impact Aid to areas affected by Federal activities, the Department conducted reviews of 700 local education agencies that made claims for Impact Aid and conducted regional workshops for local education agency officials to discuss Impact Aid. In FY 1988, 1.95 million school-age children who lived on Federal property or resided with parents working on Federal property generated more than \$633 million for affected school districts. Nearly 1.3 million of these children were from civilian families, 567,000 were military dependents, and 105,000 were children residing on Indian lands.

Vital Statistics

A Summary of Statistical Highlights for FY 1988 Activities

Item	Number	Amount
Fiscal/Administrative		
Budget.....		\$20,314,175,000
Discretionary grant awards.....	7,757	1,029,800,000
Procurement awards.....	7,707	182,735,453
Small purchase.....	7,000	6,498,495
Contract.....	707	176,236,958
Non-federal personnel providing services.....	3,046	
Cost-savings/collections:		
Public loan sales.....		314,000,000
IRS offsets on student loan defaults.....		170,000,000
Recovery of advances and excess reserves from student loan guarantee agencies.....		61,500,000
Recoveries resulting from audit resolution.....		35,000,000
Honors and Awards		
National elementary school recognition.....	287	
Drug-free school recognition.....	30	
Christa McAuliffe teacher fellowships.....	115	
Presidential academic fitness awards.....	1,300,000	
Public Information		
News releases.....	93	
News conferences.....	7	
FOIA requests.....	2,144	
Civil Rights Activities		
Complaints received.....	3,531	
Complaints closed.....	2,789	
Compliance reviews launched.....	245	
Compliance reviews closed.....	264	
Cases in litigation.....	15	
Technical assistance efforts.....	2,740	
Beneficiaries of technical assistance.....	16,866	
Program Delivery		
Numbers of students served, by program (only selected programs for which such statistics are available)		
Compensatory education.....	5,000,000	
Stafford loans.....	4,304,000	
Pell grants.....	3,123,000	
Refugee and immigrant education.....	505,733	
Adult education (state programs).....	3,000,000	
obtaining jobs.....	116,000	
obtaining better jobs.....	70,000	
passing GED.....	254,404	
obtaining diploma.....	63,471	
Indian education.....	*1,360	
Magnet schools.....	230,000	
Migrant education.....	343,300	
Drug education materials.....	*15,700	
*Number of local education agencies served; number of students unavailable.		
Inspector General		
Audit reports issued.....	5,924	
Recommendations sustained.....		\$185,200,000
Investigations and inquiries.....	577	
Prosecutions.....	149	
Indictments.....	186	
Convictions.....	100	

Legislative Activities

In April 1988, President Reagan signed into law legislation reauthorizing most Federal elementary and secondary education programs. P.L. 100-297 reauthorized through 1993 a number of major programs, including Compensatory Education (Chapter 1), State Block Grants (Chapter 2), Bilingual Education, Mathematics and Science Education, Magnet Schools Assistance, Impact Aid, Indian Education, and Adult Education. Several Administration priorities were incorporated into the Act, including increased program accountability, parental involvement, better targeting of Chapter 1 funds, and greater local flexibility in the bilingual education program. The Department worked closely with House and Senate conferees to ensure that Administration-backed provisions were retained in the final conference agreement.

In early 1988, the Administration transmitted to the Congress legislation providing for the establishment of a savings bond with tax-free interest to help parents save for their children's postsecondary education expenses. Congress also adopted—in the Family Welfare Reform Act—another higher education-related initiative backed by the Administration to extend the IRS offset of tax refunds of individuals in default of student loans to the government. Administration-endorsed legislation to prevent abuses in the Supplemental Loans for Students Program was also enacted by the Congress this year.

The Department's technical and accountability amendments to the 1986 drug bill were partially in-

cluded in P.L. 100-297. In addition, the Omnibus Drug Abuse Prevention Act of 1988 further enhanced accountability and reporting requirements. This measure, P.L. 100-690, included amendments to the Drug-Free Schools and Communities Program authorizing new teacher training and early childhood programs, as well as a provision making convicted drug traffickers ineligible for Federal benefits, including student financial aid.

The Department was involved in the development of legislation enacted to make technical corrections in the Education of the Handicapped Act and the Rehabilitation Act of 1973. Corrections included termination of the American Printing House for the Blind trust account as a separate source of its funding in order to simplify accounting procedures. The Department proposed that the trust income be added to Congress's annual appropriation for the Printing House starting in FY 1989.

During FY 1988, the Office of Legislation (OL) worked with the Congress to provide information and assistance regarding the programs and priorities contained in the President's education budget proposals. In addition, OL was active in other legislative initiatives ranging from child care to civil rights to the expansion of the National Assessment of Educational Progress. OL also participated in the confirmation process of Secretary Cavazos and other senior Department officials and participated in the Department's work on the reauthorization of the Carl D. Perkins Vocational Education Act, which is scheduled to expire in FY 1990.

Advisory Councils, Boards and Commissions

October 1, 1987–September 30, 1988

Advisory Councils and Committees

Advisory Committee on Student Financial Assistance*

Advisory Council on Education Statistics

Intergovernmental Advisory Council on Education

National Advisory and Coordinating Council on Bilingual Education**

National Advisory Board on International Education Programs

National Advisory Committee on Accreditation and Institutional Eligibility

National Advisory Committee on Adult Education**

National Advisory Council on Indian Education

National Advisory Council on Women's Educational Programs**

National Board of the Fund for the Improvement of Postsecondary Education

National Advisory Council on Educational Research and Improvement

National Council on Vocational Education

Boards and Commissions

Civil Rights Reviewing Authority

Commission on Presidential Scholars

Education Appeal Board

Exchange Visitor Waiver Review Board

Federal Interagency Committee on Education

Jacob K. Javits Graduate Fellows Program Fellowship Board

*Established October 15, 1987.

**Abolished July 1, 1988.

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