



Report to the Chairman, Subcommittee
on Interior, Environment, and Related
Agencies, Committee on
Appropriations, House of
Representatives

September 2013

INDIAN AFFAIRS

Better Management and Accountability Needed to Improve Indian Education

GAO Highlights

Highlights of [GAO-13-774](#), a report to the Chairman, Subcommittee on Interior, Environment, and Related Agencies, Committee on Appropriations, House of Representatives

Why GAO Did This Study

In 2012, the federal government provided over \$850 million to 185 BIE schools that serve about 41,000 Indian students living on or near reservations. BIE is part of Indian Affairs within the Department of the Interior, and BIE's director is responsible for managing education functions at all BIE schools. BIE's mission is to provide quality education opportunities to Indian students.

GAO was asked to study the extent to which BIE is achieving its mission. GAO examined (1) how student performance at BIE schools compares to that of public school students; (2) what challenges, if any, BIE schools face assessing student performance; and (3) what management challenges, if any, affect BIE and its mission.

For this work, GAO reviewed agency documents and relevant federal laws and regulations; analyzed student assessment data from 2005-2011; and conducted site visits to BIE schools and nearby public schools in four states based on location, school and tribal size, and other factors.

What GAO Recommends

Among other things, GAO recommends that Indian Affairs develop and implement decision-making procedures and a communications protocol to ensure that BIE has effective management controls and comports with federal laws and regulations. To improve BIE's management of its schools, GAO also recommends that Indian Affairs develop a strategic plan that includes goals and measures for BIE and a revised strategic workforce plan. Interior concurred with all of our recommendations.

View [GAO-13-774](#). For more information, contact George A. Scott at (202) 512-7215 or scottg@gao.gov.

INDIAN AFFAIRS

Better Management and Accountability Needed to Improve Indian Education

What GAO Found

Students in Bureau of Indian Education (BIE) schools perform consistently below Indian students in public schools on national and state assessments. For example, based on estimates from a 2011 study using national assessment data, in 4th grade, BIE students on average scored 22 points lower for reading and 14 points lower for math than Indian students attending public schools. The gap in scores is even wider when the average for BIE students is compared to the national average for non-Indian students. Additionally, the high school graduation rate for BIE students in 2011 was 61 percent, placing BIE in the bottom half among graduation rates for Indian students attending public schools in states where BIE schools are located.

BIE's administrative weaknesses have resulted in it experiencing difficulty assessing the academic progress of its students and adequate yearly progress (AYP) for its schools as required by federal law. Department of the Interior (Interior) regulations generally require BIE schools to administer the same academic assessments used by the 23 respective states where the schools are located. However, in the 2011-12 school year, at the direction of BIE officials, 21 schools did not administer their state assessment. These schools administered an alternative assessment that had not been approved for assessing AYP. BIE made this critical decision without the appropriate level of review at Interior or the Department of Education (Education) because it does not have procedures specifying who should be involved in making key decisions. Further, BIE did not provide its schools their AYP status for the 2011-12 school year prior to the start of the next school year, hindering school officials' ability to develop appropriate strategies to improve student performance. Unless BIE provides schools information that affects student instruction in a timely and consistent manner, it will be difficult for BIE to be well-positioned to improve student academic performance in the future.

Fragmented administrative services and a lack of clear roles for BIE and Indian Affairs' Office of the Deputy Assistant Secretary for Management (DAS-M)—that until July 2013 was responsible for BIE's administrative functions—contributed to delays in schools acquiring needed materials, such as textbooks. In July, Indian Affairs underwent a realignment, which assigned another office in Indian Affairs the responsibility for most of BIE's administrative functions. The realignment is intended to improve efficiency in delivering services to Indian Affairs stakeholders, including BIE schools. However, it is unclear to what extent, if at all, the changes will result in improved services for BIE schools. For example, Indian Affairs had not conducted a recent analysis before implementing the realignment to determine if it has the right people in place with the right skills doing the right jobs. Such workforce planning is critical given Indian Affairs' recent realignment and employee buy-out and early-out initiatives. Similarly, Indian Affairs has not developed a strategic plan with specific goals and measures for itself or BIE, or a strategy for communicating with stakeholders. Such a strategic workforce plan and performance measures could help improve operations and align the organization's human capital program with its current and emerging mission and programmatic goals.

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Abbreviations

AYP	Adequate Yearly Progress
BIE	Bureau of Indian Education
BIA	Bureau of Indian Affairs
DAS-M	Deputy Assistant Secretary for Management
ESEA	Elementary and Secondary Education Act of 1965, as amended
IDEA	Individuals with Disabilities Education Act
MOU	Memorandum of Understanding
NAPA	National Academy of Public Administration
NAEP	National Assessment of Educational Progress
NCES	National Center for Education Statistics
NWEA	Northwest Evaluation Association

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September 24, 2013

The Honorable Mike Simpson
Chairman
Subcommittee on Interior, Environment, and Related Agencies
Committee on Appropriations
House of Representatives

Dear Mr. Chairman:

In fiscal year 2012, the Department of the Interior (Interior) and the Department of Education (Education) provided over \$850 million to Bureau of Indian Education (BIE) schools, slightly over \$650 and \$200 million, respectively.¹ This funding supports 185 BIE schools, primarily in rural areas and small towns, in 23 states. These schools serve about 41,000 Indian students living on or near reservations, representing about 7 percent of the Indian student population. BIE's mission is to provide quality education opportunities to Indian students. However, poor student outcomes raise questions about how well BIE is achieving its mission. For example, a recent BIE-funded study found the achievement levels of BIE students much lower than the general population of students. Accordingly, you asked us to study aspects of BIE's mission. Specifically, this report examines: (1) how student performance at BIE schools compares to that of public school students, (2) the challenges, if any, BIE schools face assessing student performance, and (3) what management challenges, if any, affect BIE and its mission of educating Indian students. We intend to issue a second report that will compare funding and expenditures for BIE schools to those of nearby public schools.

We used multiple data collection methods to address these issues. To determine how student performance at BIE schools compares to that of public school students, we reviewed data on student performance for 4th and 8th grades at BIE and public schools for 2005 to 2011 using data from the National Assessment of Educational Progress (NAEP), a project of Education. In addition, we analyzed student performance data for 3rd and 7th grades from BIE and selected state educational agencies in three

¹While BIE and Education provide most of the funding for BIE schools, other federal agencies provide additional funding, including the U.S. Department of Agriculture through its school meal programs.

of the four states we visited (selection described below) for school years 2009-10, 2010-11, and 2011-12, the most recent 3 years for which data were available. We also used data from a 2011 study on Indian education conducted through NAEP by the National Center for Education Statistics.² Further, we analyzed Education's provisional data on regulatory adjusted cohort graduation rates for school year 2010-11, which was the most recent data available on cohort graduation rates at the time of our review. We assessed the reliability of the student performance and graduation rate data used in our study by reviewing related documentation and interviewing officials who are knowledgeable about the data. We found the data sufficiently reliable for the purposes of this report. In addition, we reviewed the methodology used for the 2011 study on Indian education and found the study sufficiently reliable to use in the report.

To determine the challenges, if any, BIE schools face assessing student performance and what management challenges, if any, affect BIE and its mission of educating Indian children, we conducted site visits to BIE schools and interviewed administrators and teachers about student performance and management issues. In addition, we interviewed officials in Education and in Interior's Office of the Assistant Secretary for Indian Affairs' Office of the Deputy Assistant Secretary for Management, BIE, and the Bureau of Indian Affairs (BIA). Further, we interviewed administrators and teachers at public schools in close proximity to the BIE schools we visited to obtain their perspectives on issues relating to student performance. We also reviewed agency documents including budget justifications, guidance, internal correspondences, and agency-sponsored management studies, and we reviewed relevant federal laws and regulations. We selected site visit locations to reflect an array of BIE schools that varied in administration type, school and tribal size, and location. Specifically, we visited 16 BIE schools that serve the Oglala Sioux Tribe in Pine Ridge, South Dakota; the Mississippi Band of the Choctaw Indians; the Navajo Nation in New Mexico and Arizona; and various Pueblo Indians in New Mexico. The views of the officials we spoke with at these locations are not generalizable to all administrators and teachers at BIE or public schools nationwide.

²National Center for Education Statistics, *National Indian Education Study 2011* (NCES 2012-466) (Washington, D.C.: Institute of Education Sciences, U.S. Department of Education, 2012).

We compared BIE's actions related to management challenges to criteria on key practices for collaboration, organizational transformation, and workforce planning that GAO previously identified and to Standards for Internal Control in the Federal Government.^{3,4} We conducted this performance audit from July 2012 through September 2013 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions.

Background

BIE's mission is to provide Indian students quality education opportunities starting in early childhood in accordance with a tribe's needs for cultural and economic well-being. Students attending BIE schools must be members of federally-recognized Indian tribes, or descendants of members of such tribes, and reside on or near federal Indian reservations. BIE's Indian education programs derive from the federal government's trust relationship with Indian tribes, a responsibility established in federal statutes, treaties, court decisions, and executive actions.⁵

³To identify key practices for collaboration, organizational transformation, and workforce planning, GAO gathered and analyzed information from a variety of sources including interviewing experts, reviewing academic literature, and analyzing prior GAO work. See: GAO, *Managing For Results: Key Considerations for Implementing Interagency Collaborative Mechanisms*, [GAO-12-1022](#) (Washington, D.C.: September 27, 2012); GAO, *Human Capital: Key Principles for Effective Strategic Workforce Planning*, [GAO-04-39](#) (Washington, D.C.: December 11, 2003); and GAO, *Results-Oriented Cultures: Implementation Steps to Assist Mergers and Organizational Transformations*, [GAO-03-669](#) (Washington, D.C.: July 2, 2003).

⁴GAO, *Standards for Internal Control in the Federal Government*, [GAO/AIMD-00-21.3.1](#) (Washington, D.C.: November 1999).

⁵The federal government recognizes Indian tribes as distinct, independent political communities that possess certain powers of self-government. Federal recognition confers specific legal status on a particular Native American group, establishes a government-to-government relationship between the United States and the tribe, imposes on the federal government a fiduciary trust relationship with the tribe and its members, and imposes specific obligations on the federal government to provide benefits and services to the tribe and its members.

BIE, formerly known as the Office of Indian Education Programs when it was part of the Bureau of Indian Affairs (BIA), was renamed and established as a separate bureau within Interior in 2006. Organizationally, BIE is under the Office of the Assistant Secretary-Indian Affairs, and its director reports to the Principal Deputy Assistant Secretary-Indian Affairs. The BIE director is responsible for the direction and management of education functions, including the formation of policies and procedures, supervision of all program activities, and approval of the expenditure of funds for education functions. BIE is composed of a central office in Washington, D.C.; a major field service center in Albuquerque, New Mexico; 3 associate deputy directors' offices located regionally (1 in the east and 2 in the west); 22 education line offices located on or near Indian reservations; and schools in 23 states.⁶ Of the 185 elementary and secondary schools BIE administers, 59 are directly operated by BIE (BIE-operated), and 126 are operated by tribes (tribally-operated) through federal contracts or grants. BIE provides funding on the same terms to tribally-operated schools as it does to BIE-operated schools based on the number of students attending the schools, among other factors. A local education line office manages the BIE-operated schools, functioning like a public school district superintendent's office. It also provides technical assistance to tribally-operated as well as BIE-operated schools.

While BIE schools are primarily funded through Interior, they receive annual formula grants from Education, similar to public schools. Like state educational agencies that oversee public schools in their respective states, BIE administers and monitors the operation of these Education grants. The Elementary and Secondary Education Act (ESEA) of 1965, as amended, holds recipient schools accountable for improving their students' academic performance, using Education program funds they receive through BIE. Specifically, under ESEA, schools must be measured to determine whether they are making adequate yearly progress (AYP) in meeting standards in math, reading, and science. In turn, the performance information must be reported to parents. Interior determined that, to measure AYP, each BIE school would use the definitions used by the state in which the school was located.⁷

⁶All of the BIE schools are located in the continental United States.

⁷Interior's regulation provides that the standards, assessments, and definition of AYP for BIE schools are the standards, assessments, and definition of AYP of the states in which the BIE schools are located. 25 C.F.R. § 30.104(a).

BIE and its predecessor, the Office of Indian Education Programs, have been through a number of restructuring efforts. Before 1999, BIA's regional offices were responsible for most administrative functions for Indian schools. In 1999, the National Academy of Public Administration (NAPA) issued a report, commissioned by the Assistant Secretary of Indian Affairs, which identified management challenges within BIA. The report concluded that BIA's management structure was not adequate to operate an effective and efficient agency.⁸ The report recommended centralization of some administrative functions. According to BIE officials, for a brief period from 2002 to 2003, BIE was responsible for its own administrative functions. However, in 2004, in response to the NAPA study, its administrative functions were centralized under the Deputy Assistant Secretary for Management (DAS-M).

More recently, in 2011, Indian Affairs commissioned another study—known as the Bronner report—to evaluate the administrative support structure for BIE and BIA. The report, issued in March 2012, found that organizations within Indian Affairs, including DAS-M, BIA, and BIE, do not coordinate effectively and communication among them is poor. The report recommended that Indian Affairs adopt a more balanced organizational approach to include, among other things, shared responsibility, new policies and procedures, better communication, and increased decentralization.⁹ On July 1, 2013, Indian Affairs implemented an administrative structural realignment intended to address the Bronner report recommendations.

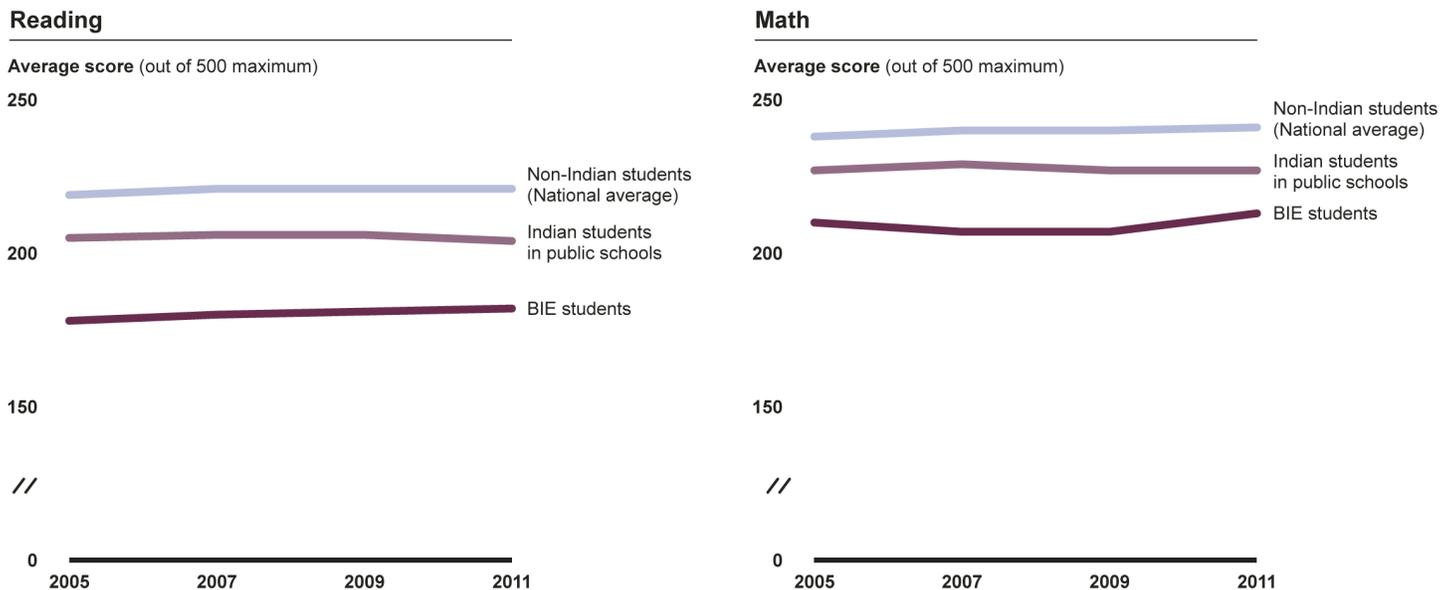
⁸National Academy of Public Administration, *A Study of Management and Administration: The Bureau of Indian Affairs* (1999).

⁹Bronner Group, *Final Report: Examination, Evaluation, and Recommendations for Support Functions* (March 2012).

BIE Students Score Consistently Below Indian Students in Public Schools on National Assessments and Have Relatively Low Graduation Rates

Students in BIE schools have performed consistently below Indian students enrolled in public schools on national assessments administered by the National Assessment of Educational Progress (NAEP) between 2005 and 2011.¹⁰ For example, in 2011, 4th grade estimated average reading scores were 22 points lower for BIE students than for Indian students attending public schools.¹¹ For 4th grade mathematics, BIE students scored lower, on average, than Indian students attending public schools, but the gap was less than for reading scores—14 points in 2011. Figure 1 shows the trend in the estimated average 4th grade reading and math scores for students in BIE schools as compared to Indian students in public schools and the national average for non-Indian students.

Figure 1: Fourth Grade Estimated Average Scores on the National Assessment of Educational Progress (NAEP) for Students in BIE Schools Compared to Indian Students in Public Schools and Non-Indian National Average, 2005 to 2011



Source: National Assessment of Educational Progress.

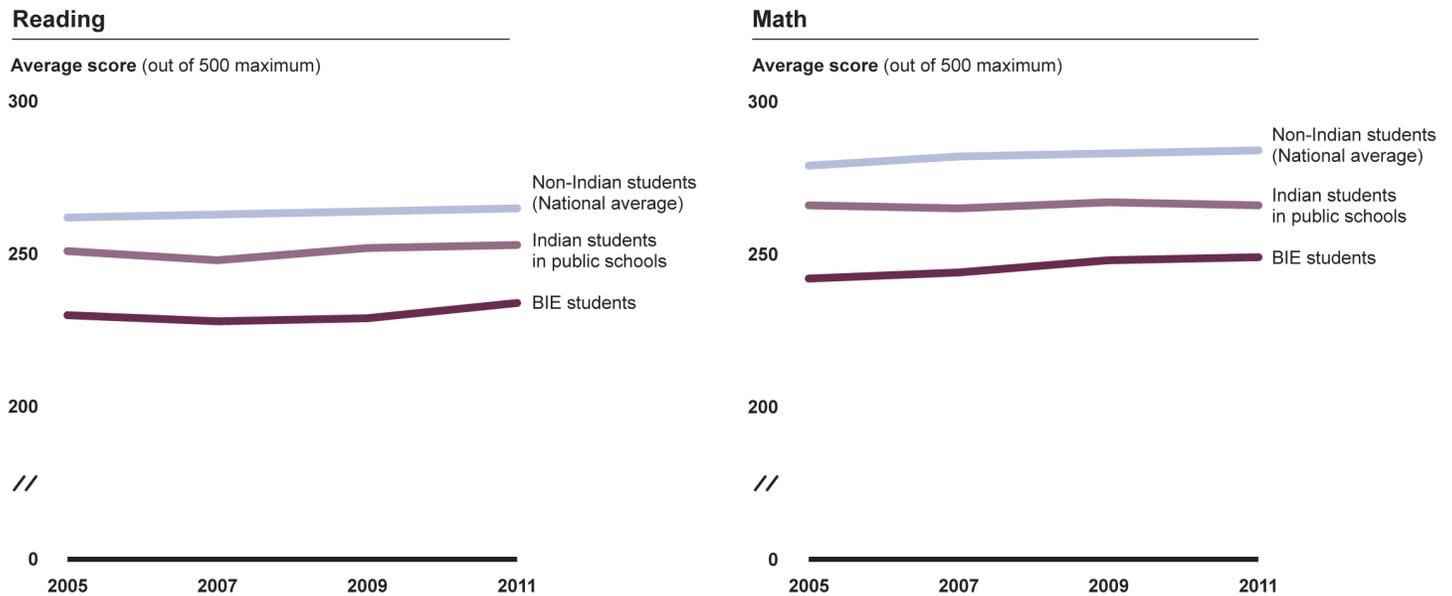
¹⁰Since 1969, NAEP assessments have been conducted periodically in reading, mathematics, science, writing, U.S. history, civics, geography, and other subjects. Because NAEP assessments are administered uniformly using the same sets of test booklets across the nation, NAEP results serve as a common metric for all states and selected urban districts. NAEP is a project of the National Center for Education Statistics (NCES) within the Institute of Education Sciences of the U.S. Department of Education.

¹¹NCES 2012-466.

Notes: The category “Non-Indian students (National average)” includes students in public, private, and Department of Defense schools. All score estimates from NAEP assessments have margins of error at the 95 percent confidence level of plus or minus 9 points or less.

In 8th grade, BIE students also scored consistently lower, on average, on NAEP assessments than Indian students in public schools. However, for reading the performance gap was slightly less than it was for 4th grade. For example, in 2011, 8th grade estimated average reading scores were 19 points lower for BIE students than for Indian students attending public schools. Further, Indian students attending BIE and public schools have consistently scored lower on average than the national average of non-Indian students in 8th grade on both the math and reading NAEP assessments. Figure 2 shows the trend in estimated average 8th grade reading and math scores for students in BIE schools compared to Indian students in public schools and the national average for non-Indian students.

Figure 2: Eighth Grade Estimated Average Scores on the National Assessment of Educational Progress (NAEP) for Students in BIE Schools Compared to Indian Students in Public Schools and Non-Indian National Average, 2005 to 2011



Source: National Assessment of Educational Progress.

Notes: The category “Non-Indian students (National average)” includes students in public, private, and Department of Defense schools. All score estimates from NAEP assessments have margins of error at the 95 percent confidence level of plus or minus 9 points or less.

Further, Indian students attending BIE and public schools have consistently scored lower on average than the national average for non-

Indian students in 4th and 8th grades on both the math and reading NAEP assessments. Some of the difference in performance levels between Indian students and non-Indian students may be explained by factors such as poverty and parents' educational backgrounds. For example, in 2011, larger percentages of Indian students were eligible for free and reduced-price lunch (an indicator of low family income) in both grades 4 and 8 as compared to non-Indian students.¹² In addition, the percentage of 8th grade Indian students reporting that at least one parent had some education beyond high school was smaller than the percentages of Black, White, and Asian students.

In states we visited, BIE students also consistently underperformed Indian students in public schools on state reading and math assessments in 3rd and 7th grade, over the most recent 3-year period for which data are available.^{13,14} Specifically, in Mississippi and South Dakota, a lower percentage of students in BIE schools scored at the proficient level or above on 3rd and 7th grade state assessments compared to Indian students in public schools.¹⁵ In Arizona, the difference in the performance of students in BIE schools and Indian students in public schools was less

¹²Students who are eligible for free and reduced-price lunch have consistently lower average scores on NAEP 4th and 8th grade reading and math assessments than students who are not eligible for free and reduced-price lunch.

¹³We were unable to compare the performance of BIE students across states with the performance of Indian students in public schools because each state uses a different assessment. For three states we visited—Arizona, Mississippi, and South Dakota—we compared the performance of students in BIE schools to the performance of Indian students in public schools for school years 2009-10, 2010-11, and 2011-12. These three states together have 82 of the 185 BIE-funded schools. We excluded New Mexico from our comparison of student performance because about half the BIE schools located there did not take New Mexico state assessments in the school year 2011-2012.

¹⁴We were unable to compare the performance of students in BIE-operated schools with that of students in tribally-operated schools nationally because each of the 23 states where BIE schools are located administer different assessments.

¹⁵In Mississippi and South Dakota, for almost all of the 3rd and 7th grade reading and math test results during the 3-year period (school years 2009-10, 2010-11 and 2011-12), at least 13 percent more of the Indian students in public schools scored at the proficient level or above, compared to students in BIE schools.

marked, with a somewhat lower percentage of students in BIE schools scoring at the proficient or above levels.¹⁶

Finally, students attending BIE schools had relatively low high school graduation rates compared to Indian students enrolled in public schools in the 2010-2011 school year. Specifically, the graduation rate for BIE students for the 2010-2011 school year was 61 percent—placing BIE students in the bottom half among graduation rates for Indian students in states where BIE schools are located.¹⁷ In these states, the Indian student graduation rates ranged from 42 percent to 82 percent.¹⁸ Figure 3 shows the Indian student graduation rates for BIE and states where BIE schools are located.

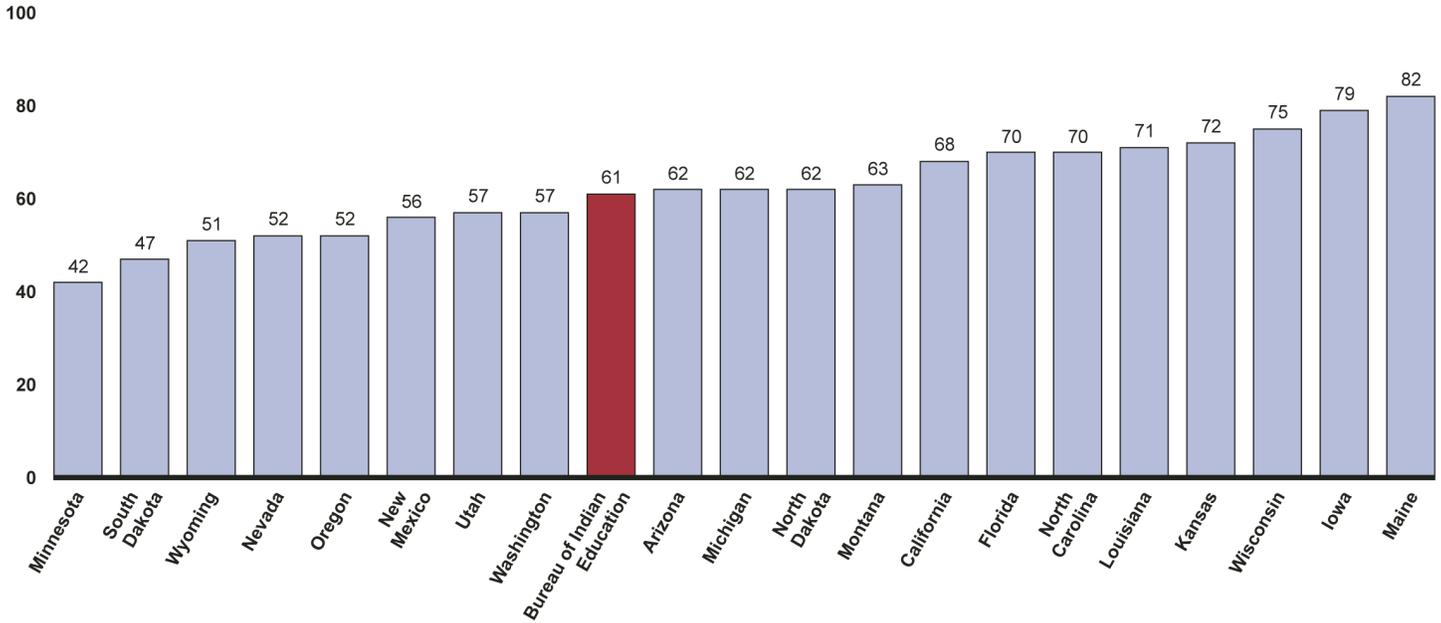
¹⁶In Arizona, for almost all of the 3rd and 7th grade reading and math test results during the 3-year period (school years 2009-10, 2010-11 and 2011-12), between 1 and 8 percent more of the Indian students in public schools scored at the proficient level or above, compared to students in BIE schools.

¹⁷Our analysis of graduation rates covered 20 of the 23 states where BIE schools are located. At the time of our review, cohort graduation rate data were not available for 2 of the 23 states where BIE schools are located, and we excluded data from an additional state due to the small number of students in the Indian student subgroup for which the graduation rates were calculated.

¹⁸These rates are based on the first year of data calculated using a common, rigorous measure referred to as regulatory adjusted cohort graduation rates.

Figure 3: Graduation Rates for BIE Students Compared to Graduation Rates for Indian Students in Public Schools in States Where BIE Schools Are Located, School Year 2010-2011

Percentage of students who graduated (2010-11 adjusted cohort rates)



Source: Department of Education school year 2010-11 provisional data on regulatory adjusted cohort graduation rates.

Notes: The graduation rates shown for each state are public school students in the subgroup of “American Indian, Alaska Native, or Native American” students. The graduation rate shown for BIE is for all students in BIE schools. The 20 states shown in the figure are states where BIE schools are located that had at least 100 Indian students in the cohort used for the 2010-11 graduation rates. The three other states where BIE schools are located either did not have data available or had less than 100 Indian students in the cohort.

BIE Has Difficulty Complying with Various Assessment Requirements and Collaborating with Education, but is Working to Address Certain Challenges

BIE's administrative and internal control weaknesses have resulted in difficulty assessing the academic progress of its students and AYP for its schools as required under ESEA. In addition, BIE has delayed critical efforts to collaborate with Education. BIE's efforts to assess student and school performance are not consistent with internal controls standards that can help agencies operate more effectively and help ensure compliance with applicable laws and regulations.¹⁹

BIE Provided Inaccurate and Changing Guidance to Schools

BIE officials provided inaccurate guidance to some of its schools about which student assessment to administer in the 2011-12 school year, resulting in a lack of compliance with federal requirements. In that school year, BIE offered its schools in New Mexico the ability to administer an assessment²⁰—in lieu of the state assessment—that was not approved by Education for use as an accountability tool for determining whether schools made AYP under ESEA. Education officials told us they did not approve any BIE schools to use assessments other than those required by Interior's regulation.²¹ To determine whether an assessment meets ESEA accountability requirements, Education has an external group of experts to evaluate the assessment. This evaluation ensures that the assessment is aligned with the state academic content and achievement standards taught in the classroom and is valid and accessible for use by the widest possible range of students—such as students with disabilities and students with limited English proficiency. However, BIE did not submit a request to Education to review the assessment through this

¹⁹Federal agencies are responsible for establishing and maintaining internal controls to achieve their objectives such as enforcing compliance with federal laws and regulations, and having relevant, reliable and timely information is a standard element of internal control. GAO, *Standards for Internal Control in the Federal Government*, [GAO/AIMD-00-21.3.1](#) (Washington, D.C.: November 1999).

²⁰This assessment was the Northwest Evaluation Association (NWEA) Measures of Academic Progress. NWEA—a formative assessment which provides information needed to adjust teaching and learning strategies—is administered multiple times over the course of a school year. In contrast, state assessments are used to measure student learning relative to content standards and are administered once at the end of the school year.

²¹See 25 C.F.R. § 30.104.

process. As a result of BIE's guidance, 21 of BIE's 42 schools in New Mexico administered an alternative assessment that Education was unable to use to hold schools accountable for student performance under ESEA.

Further, BIE did not act within the scope of its authority when providing this option to schools. Under an Interior regulation, BIE schools are generally required to administer the same academic assessments used by the 23 respective states where the schools are located.²² While this regulation allows BIE schools to use alternative assessments for the purposes of ESEA, the Secretaries of Education and Interior must first provide approval.²³ In addition to not obtaining Education's approval of the assessment, BIE made this critical decision without the appropriate level of review by the Secretary of the Interior or his designee. This happened because BIE does not have procedures that specify who should be involved in making key decisions.²⁴ As a result, BIE offered its schools a choice to use an assessment without approval from the Secretaries, which does not align with Standards for Internal Control in the Federal Government. These standards state that significant events should be authorized and executed only by persons acting within the scope of their authority. Further, the standards state that internal controls and other significant events need to be clearly documented to help management with decision making and to help ensure operations are carried out as intended. The documentation should appear in management directives, administrative policies, or operating manuals.²⁵

BIE officials acknowledged that they did not obtain approval from the Secretary of Interior to allow schools in New Mexico to use the Northwest Evaluation Association (NWEA) Measures of Academic Progress rather than their state assessment as required by an Interior regulation, nor did they submit a waiver request to Education to allow them to do so. As a result, they acknowledged they did not adhere to the correct process

²²See 25 C.F.R. § 30.104.

²³See 20 U.S.C. § 6316(g)(1)(B) and 25 C.F.R. §§ 30.105 and 30.113.

²⁴Moreover, the relevant Interior regulation states that the tribe or school board must request authorization to use an alternative assessment and that did not occur in this case.

²⁵[GAO/AIMD-00-21.3.1](#).

when providing schools in New Mexico the option of which assessment they could administer.

BIE also provided changing directions to its schools about what assessments they could use to assess students' academic progress in the 2012-13 school year to comply with ESEA. For the 2012-13 school year, BIE school officials in Arizona, Mississippi, and South Dakota said that BIE directed them to administer the alternative assessment it allowed the BIE schools in New Mexico to take during the prior school year, instead of their respective state assessments. However, in late September 2012, BIE directed them to administer both their state assessment and the alternative assessment. As a result, some BIE schools, such as those in Arizona, experienced delays in obtaining materials for the state assessment. Further, school officials in Arizona, Mississippi, and South Dakota were under the impression that their schools would administer the alternative assessment used in New Mexico instead of their respective state assessments. Without clear decision-making procedures, BIE has not provided schools consistent guidance to help them develop strategies to inform instruction.

BIE Did Not Inform Schools about Adequate Yearly Progress in a Timely Manner

BIE did not notify schools of their AYP status for the 2011-12 school year before the start of the 2012-13 school year. Specifically, BIE did not notify its schools of their AYP status for the 2011-12 school year until April and May 2013—over 6 months after the school year typically begins.²⁶ According to Education officials, the impact of schools not knowing whether they made AYP depends on their performance the previous year. Some BIE and school officials we spoke with expressed concern that without this information on whether they made AYP they were unable to comply with ESEA and notify parents in a timely manner of the schools' performance. Schools receiving ESEA Title I Part A funds face specific consequences depending on how many years they do not make AYP.²⁷ Table 1 shows the remedial actions for BIE Title I Part A for schools that do not make AYP. Such actions may include replacing school staff,

²⁶As of July 2013, BIE had not notified its schools in New Mexico of their AYP status because most schools submitted results from an assessment other than the required state assessment.

²⁷ According to BIE officials, all BIE schools receive Title I funds from Education.

implementing new curricula, or appointing outside experts to advise schools.

Table 1: Remedial Actions for Bureau of Indian Education (BIE) Title I Part A Schools That Do Not Make Adequate Yearly Progress (AYP)

AYP	School status in the next year	Remedial actions for BIE Title I schools
First year missed	Not applicable	Not applicable
Second year missed	Needs improvement (first year of improvement)	Required to develop a school improvement plan
Third year missed	Needs improvement (second year of improvement)	School still covered by school improvement plan
Fourth year missed	Corrective action (third year of improvement)	Implement certain corrective actions
Fifth year missed	Planning for restructuring (fourth year of improvement)	Plan for a change in governance
Sixth year missed	Implementation of restructuring (fifth year of improvement)	Implement change in governance
Seventh year missed (and beyond)	Restructuring	Continue implementation of the change in governance until AYP is met for 2 consecutive years

Source: GAO analysis of ESEA and Interior regulations.

Federal internal control standards provide that information should be recorded and communicated to management and others who need it in a form and within a time frame that enables them to carry out their internal control and other responsibilities. For an entity to run and control its operations, it must have relevant, reliable, and timely communications.²⁸ Without such timely communication, BIE and school officials were unable to make informed decisions about additional actions that might be needed to support educational reforms.

According to BIE officials, many of their challenges informing schools of their AYP status in a timely manner stem from having to determine the performance scores and AYP status for schools in 23 different states, each with its own accountability system. In 2008, we reported that BIE officials told us that, given the work involved, it was challenging to

²⁸[GAO/AIMD-00-21.3.1.](#)

calculate and report proficiency levels to schools before the start of the subsequent school year.²⁹ Further complicating their efforts, BIE officials noted that state calculations of AYP are not crafted with BIE schools in mind. BIE officials cited Arizona as an example. According to these officials, based on Arizona's formula for calculating AYP, BIE schools typically do not have enough students in each grade to be able to use the state's formula. Additionally, BIE officials said that the varied locations of BIE schools make it difficult to compare academic achievement across states, address student achievement issues, and provide technical assistance. BIE officials told us they found it especially challenging in calculating AYP results for the 2011-12 school year because Education granted waivers to several states—including states where BIE schools are located—that allowed these states to change the performance targets used to assess their schools' yearly progress (accountability systems).³⁰ For example, BIE had developed a method for comparing academic achievement across states, but is no longer able to use this method to calculate achievement across states because of these Education waivers.

BIE officials plan to address their challenges by transitioning to a unified accountability system which uses the same indicators to determine AYP for all BIE schools. To accomplish this, Interior must first change its regulation that generally requires BIE schools to use the assessments of the states in which they are located. Interior has begun the process for making this change, but the process could take several months to a year, according to a BIE official. This process requires Interior to undertake a negotiated rulemaking, which includes the formation of a negotiated rulemaking committee with members from the federal government and tribes served by BIE schools. In January 2013, Interior announced its intent to establish such a committee (which will recommend specific changes to the regulation) and invited tribes to nominate prospective members.

²⁹GAO, *Bureau of Indian Education Schools: Improving Interior's Assistance Would Help Some Tribal Groups Implement Academic Accountability Systems*, [GAO-08-679](#) (Washington, D.C.: June 27, 2008).

³⁰The Department of Education invited each state educational agency to request flexibility regarding specific requirements of ESEA, as amended, in exchange for rigorous and comprehensive State-developed plans designed to improve educational outcomes for all students, close achievement gaps, increase equity, and improve the quality of instruction. Bureau of Indian Education, *ESEA Flexibility Request for Window 3*, Submitted to the Department of Education June 7, 2012. OMB-1810-0581.

Critical BIE and Education Collaborative Efforts Have Been Delayed

In December 2012, the Departments of the Interior and Education established a memorandum of understanding (MOU), required by an Executive Order.³¹ The MOU is to, among other things, take advantage of both Departments' expertise, resources, and facilities and address how the Departments will collaborate. The MOU created a BIE-Education Committee to facilitate communication between the two agencies. Among other goals, the BIE-Education Committee seeks to improve the academic performance of Indian students. The Committee is charged with exploring ways to promote more effective school reform efforts and build support for BIE's efforts to monitor and enforce compliance with Education program requirements for which schools receive funding, particularly tribally-operated schools. The Committee is also to examine options to support BIE responsibilities, including the option of having Education establish conditions on the funding it provides to BIE consistent with applicable laws.

BIE officials in the field who provide technical assistance to schools, as well as Education officials, noted that some tribally-operated schools need to improve their administrative and technical capacity to comply with requirements for schools receiving Education grants. Such grants include those under the Individuals with Disabilities Education Act (IDEA) that support services to students with disabilities, and ESEA. For example, a senior BIE official said the local education line offices she is responsible for supervising frequently receive questions from tribally-operated school administrators about education laws and regulations. The official commented that this situation is particularly problematic as there is frequent turnover among some tribal school administrators in her region, so the local education line offices must educate new administrators on federal education requirements whenever a change in leadership occurs. BIE officials told us that they face challenges holding some tribally-operated schools accountable for compliance with federal education laws and regulations because those schools are under the purview of the tribes. BIE's past problems holding its schools accountable led Education to impose an ongoing corrective action plan on BIE to improve its schools' compliance with IDEA and ESEA requirements.³² As a part of this plan,

³¹See Executive Order 13592, Improving American Indian and Alaska Native Educational Opportunities and Strengthening Tribal Colleges and Universities, signed by the President on December 2, 2011.

³²This plan is referred to as the Program Improvement and Accountability Plan.

BIE is required to submit quarterly progress reports to Education on how it is implementing the plan, and there are special conditions on its IDEA funding, such as additional documentation requirements. Although BIE officials can provide information to tribally-operated schools about Education grant requirements, they stated that unlike with BIE-operated schools, it is difficult to compel these schools to follow the requirements.

The BIE-Education Committee has not yet begun grappling with issues such as improving BIE schools' services for students or holding schools accountable for Education funding requirements because Interior has not designated officials to serve on the committee. Consequently, as of mid July 2013 the Committee had not met although the MOU calls for it to meet at least once every three months. According to Education officials, the committee is expected to meet some time in August 2013. In the absence of committee meetings, the activities outlined in the MOU have not yet been undertaken, such as exploring ways to help BIE's ability to monitor and enforce compliance with Education grant programs. We have previously concluded that collaboration can benefit from formal written agreements, like an MOU, but ineffective implementation of an MOU may contribute to the sporadic and limited amount of collaboration between agencies.³³

Poor Management and Communication Hinder Support for BIE Operations

Challenges such as a fragmented administrative structure and frequent turnover in leadership have prompted Indian Affairs to undergo an administrative structural realignment. DAS-M staff, who provide administrative services, have been detailed to BIA's regional offices and now report to BIA regional directors. The realignment is intended to improve efficiency in the delivery of services to BIE, among others. However, the process Indian Affairs followed to develop the realignment, and its lack of a strategic plan and workforce analysis, run counter to key practices for organizational transformations, as well as principals for strategic workforce planning.

BIE Faces Fragmented Administrative Services

Until July 2013, Indian Affairs' DAS-M was responsible for BIE's administrative functions, including handling school contracting needs,

³³GAO, *Managing For Results: Key Considerations for Implementing Interagency Collaborative Mechanisms*, [GAO-12-1022](#) (Washington, D.C.: September 27, 2012).

facilities, and budget issues. However, as we noted in our February 2013 testimony, poor communication, incompatible procedures and a lack of clear roles for BIE and DAS-M staff, and leadership turnover have hampered efforts to improve Indian education.³⁴

According to school officials we interviewed, communication between Indian Affairs' leadership and BIE is poor, resulting in confusion about policies and procedures. Working relations between BIE and DAS-M's leadership are informal and sporadic, and BIE officials reported having difficulty obtaining timely updates from DAS-M on its responses to requests for services from schools. In addition, there is a lack of communication between Indian Affairs' leadership and schools. For example, a high-ranking BIE official noted there are no clear procedures regarding school maintenance and facilities matters and agreed it is confusing for schools not to have a process to follow when requesting assistance concerning these matters. Additionally, BIE and school officials in all four states we visited reported that they were unable to obtain definitive answers to policy or administrative questions from BIE leadership in Washington D.C. and Albuquerque. For example, school officials in one state we visited reported that they requested information from BIE's Albuquerque office in the 2012-13 school year about the amount of IDEA funds they were due to receive. The Albuquerque office subsequently provided them three different dollar amounts. The school officials were eventually able to obtain the correct amount of funding from their local education line office. Similarly, BIE and school officials in three states reported that they often do not receive responses from BIE's Washington D.C. and Albuquerque offices to questions they pose via email or phone. Further, one BIE official stated that meetings with BIE leadership are venues for conveying information from management to the field, rather than opportunities for a two-way dialogue.

BIE schools have encountered delays in contracting due to DAS-M's lack of knowledge about the needs of schools and the laws and regulations regarding educational institutions. BIE does not have a specific contracting team assigned to it, although the contracting needs of schools are different than those of a federal agency. Purchasing items for schools in a timely manner, for instance, is critical to ensure that all supplies and

³⁴GAO, *Indian Affairs: Management Challenges Continue to Hinder Efforts to Improve Indian Education*, [GAO-13-342T](#) (Washington, D.C.: February 27, 2012).

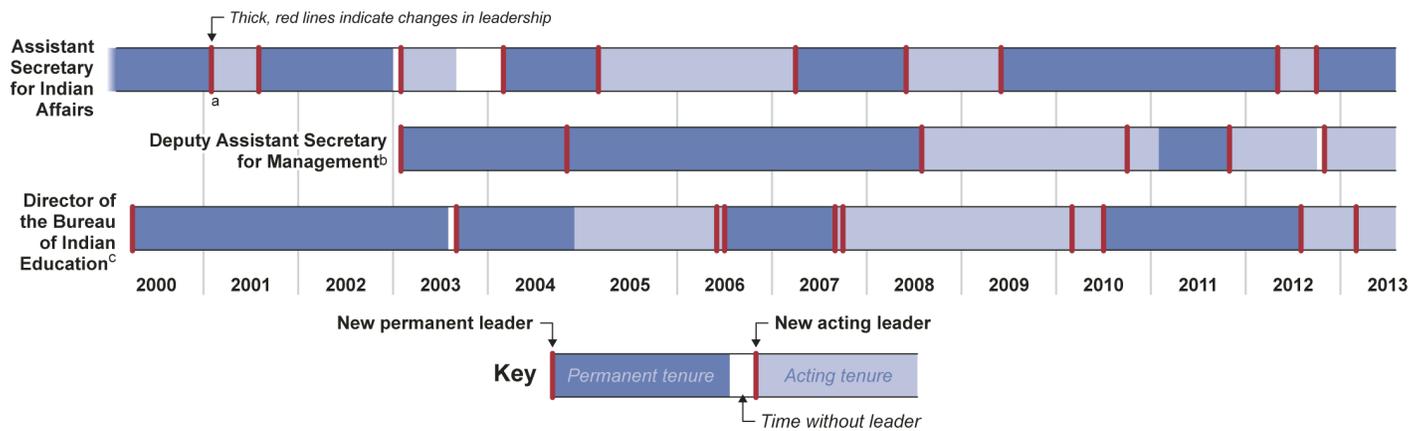
textbooks are delivered before the start of the school year. However, DAS-M's procurement process has caused delays in textbook delivery to some schools. In another instance, DAS-M processes led to the termination of a contract held by an experienced speech therapist serving a BIE school in favor of a less expensive contract with another therapist. However, the new therapist was unable to travel to the schools being served to provide therapy to students. As a result, the schools were unable to implement students' individualized education programs in the timeframe required by IDEA. In addition, although BIE accounts for approximately 34 percent of Indian Affairs' budget, several BIE officials reported that improving student performance is often overshadowed by other Indian Affairs priorities. DAS-M staff's focus on supporting other offices within BIA, such as the Office of Trust Services, hinders staff from seeking and acquiring expertise in education issues.

Leadership turnover in the Office of the Assistant Secretary for Indian Affairs, DAS-M, and BIE has exacerbated the various challenges created by administrative fragmentation. For instance, the tenure of acting and permanent assistant secretaries in Indian Affairs has ranged from 16 days to 3 years, and the post was vacant from August 2003 through February 2004 (see fig. 4). In previous reports about other agencies, we found that frequent changes in leadership may complicate efforts to improve student achievement,³⁵ and that lack of leadership negatively affects an organization's ability to function effectively and to sustain focus on key initiatives.³⁶

³⁵GAO, *District of Columbia Public Schools: Important Steps Taken to Continue Reform Efforts, But Enhanced Planning Could Improve Implementation and Sustainability*, [GAO-09-619](#) (Washington, D.C.: June 26, 2009).

³⁶GAO, *Recovering Servicemembers and Veterans: Sustained Leadership Attention and Systematic Oversight Needed to Resolve Persistent Problems Affecting Care and Benefits*, [GAO-13-5](#) (Washington, D.C.: November 16, 2012) and GAO, *Architect of the Capitol: Committed, Sustained Leadership Needed to Continue Progress*, [GAO-07-407](#) (Washington, D.C.: February 28, 2007).

Figure 4: Leadership of Offices that Support BIE Schools



Source: GAO analysis.

^aTwo Assistant Secretaries for Indian Affairs served in an acting capacity in January 2001.

^bThe office of Deputy Assistant Secretary for Management was created in January 2003.

^cBefore 2006, the Office of Indian Education Programs fulfilled the responsibilities of the current BIE.

Indian Affairs' Realignment May Not Adequately Address Needs of BIE and Its Schools

Indian Affairs underwent an administrative structural realignment on July 1, 2013, and DAS-M administrative staff responsible for BIE administrative functions have been detailed to BIA's regional offices based on their current geographical duty station. These DAS-M staff will now be reporting to BIA regional directors, who will have authority over most of BIE's administrative functions, including acquisitions, budget, facilities management, financial management, and property. DAS-M will continue to be responsible for information technology and human resource functions. In addition, DAS-M will continue its responsibilities overseeing and monitoring BIE activities, including updating its policies and procedures and providing technical assistance to administrative staff in the field.

Indian Affairs' recent realignment—approved by the cognizant congressional committees in late May 2013—is intended to improve efficiency in the delivery of services to Indian Affairs stakeholders, including BIE schools. According to information we received from Indian Affairs in June 2013, the provision of administrative functions by BIA regional offices would be governed by service-level agreements specifying the services provided to BIE and the responsible parties based on BIE's needs. However, although Indian Affairs officials told us these agreements would be signed and in place before the realignment took effect, the agreements were not in place as of late July 2013.

The process Indian Affairs followed to develop the realignment plan is unclear and Indian Affairs did not consult BIE officials on the specific changes outlined in the realignment request it submitted to Congress. For example, it did not consult with BIE on transferring the responsibilities for most of BIE's administrative functions to BIA regional offices. Additionally, although Indian Affairs informed Congress that the realignment would be overseen by an Executive Implementation Oversight Board, several senior BIE officials, including an acting BIE Director, reported that they were not asked for input into the new plan. Indian Affairs officials acknowledged that their office had not consulted with BIE officials on potential organizational changes since before the Bronner report was issued in March 2012. The Bronner report recommended that Indian Affairs, among other things, develop new policies and procedures and increase decentralization,³⁷ but does not address the specific changes entailed in the realignment. Key practices for organizational transformation include employee involvement in organizational change to help create the opportunity to increase employees' understanding and acceptance of organizational goals and objectives, and gain ownership for new policies and procedures. Such involvement also allows employees to share their experiences and shape policies.³⁸ In addition, while Indian Affairs conducted tribal consultations in April and May 2012 on the findings of the Bronner report, Indian Affairs did not formally consult with tribes on the specific changes entailed in the realignment before it took effect on July 1, 2013. Indian Affairs' main method of obtaining information from tribes is through tribal consultations.

In addition to implementing its realignment without seeking input from key stakeholders, Indian Affairs' leadership does not appear to have broadly communicated information about the realignment to BIE schools or BIE officials in the field. For example, although the realignment was already in effect, two BIE school administrators and the director of a BIE education line office with responsibility for a large number of schools told us on July 8, 2013 that they had no knowledge of the realignment. Another BIE school administrator said she had just recently found out about it. As a result, these school administrators were unaware that BIA regional

³⁷Bronner Group, *Final Report: Examination, Evaluation, and Recommendations for Support Functions* (March 2012).

³⁸GAO, *Results-Oriented Cultures: Implementation Steps to Assist Mergers and Organizational Transformations*, [GAO-03-669](#) (Washington, D.C.: July 2003).

offices, rather than DAS-M, would be responsible for carrying out their administrative functions, including acquisitions, budget, and financial management. This information is important to school administrators to have because they have experienced problems with administrative services, such as acquisition of textbooks. According to one high-ranking BIE official, improvements under the realignment are not likely, in part, because there is little communication between BIE and BIA regional office officials. These reactions may stem from the insufficient involvement of BIE and school officials in planning for the realignment and could undermine support for the change.

Indian Affairs officials acknowledged that the office has not established a strategic plan with specific goals and measures for itself or for BIE or a strategy for communicating with stakeholders. Key practices for organizational transformation suggest that effective implementation of a results-oriented framework, such as a strategic plan, requires agencies to clearly establish performance goals for which they will be held accountable, measure progress towards those goals, determine strategies and resources to effectively accomplish the goals, and use performance information to make the decisions necessary to improve performance. In addition, communicating information early and often helps to build an understanding of the purpose of planned changes and builds trust among employees and stakeholders.³⁹ Although Interior as a whole has a strategic plan, BIE's inclusion in the Interior plan consists of two performance measures to improve Indian education,⁴⁰ but it does not detail how BIE will achieve these goals. Indian Affairs and BIE officials were unable to provide us with a more specific plan articulating the strategies they will use to achieve BIE's mission of improving education for Indian students. BIE officials commented that a strategic plan would help BIE leadership and staff pursue goals in a consistent manner and collaborate to achieve them.

Key practices for organizational transformation also suggest that performance goals and measures are an important part of the strategic

³⁹[GAO-03-669](#).

⁴⁰The Interior 2011-2016 strategic plan includes BIE as part of "Goal #1: Meet Our Trust, Treaty, and Other Responsibilities to American Indians and Alaska Natives." Under the plan, BIE is to strengthen Indian education as measured by (1) the percent of BIE schools achieving AYP (or comparable measure) and (2) the percent of BIE school facilities in acceptable condition as measured by the Facilities Condition Index.

planning process. Specifically, performance measures allow an organization to demonstrate its progress toward meeting performance goals. Performance goals and measures are part of a broader system that creates a “line of sight” showing how team, unit, and individual performance can contribute to overall organizational results.⁴¹ Interior’s fiscal year 2008 Performance and Accountability Report lists two performance measures that relate to BIE school construction⁴² and nine measures for BIE relating to individual student performance, cost per student, and teacher qualifications. However, there are no measures for how internal departments, such as DAS-M and BIA, are fulfilling their responsibilities to provide administrative and facilities support to BIE schools. In a response to questions from Congress, Interior stated that its realignment plan requires the development and execution of performance measures for the delivery of administrative support functions, but it is not yet clear what specific measures will be adopted because the service level agreements between BIE and BIA regional offices have not yet been negotiated. Without such performance measures, BIE and BIA staff cannot be held accountable for meeting agency goals.

According to key principles for workforce planning, another element of an effective strategic plan is a clear strategy for maintaining and improving an agency’s workforce.⁴³ Key principles for effective strategic workforce planning include: (1) aligning an organization’s human capital program with its current and emerging mission and programmatic goals and (2) developing long-term strategies for acquiring, developing, and retaining staff to achieve programmatic goals.⁴⁴ The appropriate geographic and organizational deployment of employees can further support organizational goals and strategies. Effective deployment strategies can

⁴¹[GAO-03-669](#).

⁴²The report includes performance measures for (1) percentage of replacement schools and major improvement and repair projects constructed within 2 years of commencement of the project; and (2) percent of BIE school facilities in acceptable condition, as measured by the Facilities Condition Index.

⁴³GAO, *Human Capital: Key Principles for Effective Strategic Workforce Planning*, [GAO-04-39](#) (Washington, D.C.: December 11, 2003).

⁴⁴[GAO-04-39](#).

enable an organization to have the right people, with the right skills, doing the right jobs, in the right place, at the right time.⁴⁵

While Indian Affairs' most current workforce plan is for 2008-2013, it was based on workforce data from fiscal years 2003-2007. Therefore, the data in the plan would not reflect recent changes in the workforce or current workforce needs. As a result, Indian Affairs' recent realignment may result in an imbalance in BIA regions' workload in supporting BIE schools. For example, under the realignment, 11 of the 12 BIA regional directors are responsible for providing administrative support to BIE schools in their regions.⁴⁶ However, BIE schools are unevenly distributed among the 11 BIA regions, with the regions containing between 2 and 65 schools (see table 2). Therefore, it is important to ensure that each BIA regional office has an appropriate number of staff who are familiar with education laws and regulations and school-related needs to be prepared to support the schools in that region.

Table 2: BIE Schools in Each BIA Region with Schools, Excluding Dormitories

BIA Region	BIE-operated schools	Tribally-operated schools	Total schools
Eastern	0	16	16
Eastern Oklahoma	0	4	4
Great Plains	8	25	33
Midwest	0	11	11
Navajo	31	34	65
Northwest	1	9	10
Pacific	1	3	4
Rocky Mountain	1	4	5
Southern Plains	1	1	2
Southwest	8	8	16
Western	8	11	19
Total	59	126	185

Source: GAO analysis of information from Interior.

⁴⁵GAO, *A Model of Strategic Human Capital Management*, [GAO-02-373SP](#) (Washington, D.C.: March 15, 2002), 21.

⁴⁶BIA's Alaska region does not have any BIE schools.

In addition, DAS-M records show that almost 250 employees in BIE and BIA left the agency in recent months using the Voluntary Early Retirement Authority and Voluntary Separation Incentive Payments offered by Interior, which agency officials told us were prompted by the sequestration.⁴⁷ Indian Affairs recent realignment as well as its employee early-out and buy-out efforts in the first half of 2013 highlights the importance of workforce planning. Staff departures can affect organizational capacity, and in this instance, may affect implementation of the realignment. Current information on attrition rates and geographic and demographic trends could be used to estimate the number of employees with specific skills and competencies and the bureau's staffing needs going forward.⁴⁸ Further, a revised workforce plan could focus on the strategic deployment of staff with educational expertise to regions with a large number of BIE schools and education-specific training for DAS-M and BIA staff with responsibilities in support of Indian education.

Further, some tribes are planning to convert BIE-operated schools to tribally-operated schools in the future. For example, the Navajo Nation intends to convert its remaining 31 BIE-operated schools to tribally-operated schools. Should this occur, only 15 percent of BIE schools would remain BIE-operated. While such a shift would decrease BIE's administrative responsibilities, BIE's oversight, monitoring and technical assistance responsibilities would remain. We have previously reported that it is essential that agencies determine the skills and competencies that are critical to achieving their missions and goals, especially when factors change the environment within which agencies operate.

Conclusions

The federal government, through the Department of the Interior, has a trust responsibility for the education of Indian students. However, the extent to which Interior is effectively meeting its responsibilities is

⁴⁷Sequestration is the cancellation of budgetary resources under a presidential order. GAO, *A Glossary of Terms Used in the Federal Budget Process*, [GAO-05-734SP](#) (Washington, D.C.: September 2005). On March 1, 2013, the President ordered a sequestration of \$85 billion of discretionary appropriations and direct spending, consistent with section 251A of the Balanced Budget and Emergency Deficit Control Act, as amended. 2 U.S.C. § 901a. OMB calculated that the sequestration required a 5.0 percent reduction in nonexempt discretionary appropriations and a 5.1 percent reduction to nonexempt direct spending programs. OMB, *OMB Report to the Congress on the Joint Committee Sequestration for Fiscal Year 2013* (March 1, 2013).

⁴⁸ [GAO-04-39](#).

questionable considering students' relatively poor academic performance and BIE's myriad administrative and management challenges. BIE lacks clear procedures for decision-making, which has resulted in it acting outside the scope of its authority, undermining school officials' ability to assess student performance under ESEA and potentially affecting their compliance with federal regulations. Further, while Indian Affairs has reported the benchmark for the quality of education BIE provides to its students is whether its schools meet AYP goals, BIE's ongoing challenges calculating AYP and reporting this information to schools may exacerbate poor school performance. Also, given the significant challenges BIE and Indian schools face in improving student academic performance, it is critical that Interior leverage existing resources and opportunities to improve communication. For example, as of late July 2013, Interior had not yet appointed members to the BIE-Education Committee. Unless BIE collaborates with partner agencies and provides schools information that affects student instruction in a timely and consistent manner, it will be difficult for BIE to be well-positioned to improve student academic performance in the future.

While Indian Affairs has undertaken another realignment of its administrative functions, it is unclear to what extent, if at all, the changes will result in improved services for BIE and schools. For instance, Indian Affairs implemented the realignment without seeking input from a broad range of stakeholders. Further, it did not develop a strategic plan with specific goals and measures for itself or BIE or strategies to achieve these goals. In addition, it has not updated its workforce plan or assessed Indian Affairs' realignment and its impact on BIE to ensure it has the right people in place with the right skills to effectively meet the needs of BIE schools. In addition, BIE did not develop a strategy for communicating key decisions to stakeholders, including schools. Rather than contribute to improved administrative functions, the lack of planning and communication efforts may ultimately undermine them. Therefore, undertaking these steps as well as developing a comprehensive, systematic approach to providing technical assistance would help improve school officials' administrative capacity and technical expertise, especially related to BIE compliance with Education requirements.

Recommendations for Executive Action

We recommend that the Secretary of the Interior direct the Assistant Secretary-Indian Affairs to take the following five actions:

- Develop and implement decision-making procedures for BIE that specify who should be involved in the decision-making process for key

decisions that affect BIE and its schools to ensure that BIE has effective management controls, is accountable for the use of federal funds, and comports with federal laws and regulations. Such procedures should be clearly documented in management directives, administrative policies, or operating manuals.

- Develop a communication strategy for BIE to inform its schools and key stakeholders of critical developments that impact instruction in a timely and consistent manner to ensure that BIE school officials receive information that is important for the operation of their schools.
- Appoint permanent members to the BIE-Education committee and ensure that the committee meets quarterly as required by the MOU to improve collaboration between BIE and Education and address the challenges that Indian schools face in improving student performance.
- Develop a strategic plan that includes detailed goals and strategies for BIE and for those offices that support BIE's mission, including BIA, to help Indian Affairs effectively implement its realignment. Development of the strategic plan should incorporate feedback from BIE officials and other key stakeholders. To gather stakeholder input, we recommend that the plan include a comprehensive communications strategy to improve communication within Indian Affairs and between Indian Affairs and BIE staff.
- Revise its strategic workforce plan to ensure that employees providing administrative support to BIE have the requisite knowledge and skills to help BIE achieve its mission and are placed in the appropriate offices to ensure that regions with a large number of BIE schools have sufficient support.

Agency Comments and Our Evaluation

We provided a draft of this report to the Departments of Interior and Education for review and comment. Education chose not to provide comments. Interior's comments are reproduced in appendix I.

Interior concurred with all of our recommendations. Interior stated that the report's findings and recommendations will aid its efforts to move forward with improving the quality of education in Indian country. For example, Interior noted that it is obtaining advice from Education and other subject-matter experts on how to improve BIE's structure and systems.

Interior agreed with our recommendation about the need to develop and implement procedures for key decisions affecting BIE to ensure it has effective management controls and makes decisions that comport with federal laws and regulations. Interior said that as part of Indian Affairs' realignment, it will need to refine and redefine some of the roles and responsibilities of BIE and BIA and noted it is currently finalizing a plan

driven by these changes. To reflect changes in the roles of BIE and BIA as a result of the realignment, Interior acknowledged the importance of updating its policy documents, such as departmental manuals. In addition to these actions, we believe it is important for Interior to review existing policies to understand what additional controls are needed to ensure BIE activities comply with relevant laws and regulations.

Interior agreed with our recommendation to develop a communication strategy. Interior said that BIE should develop and follow set communications protocols within its schools and field offices to ensure that each entity understands its roles and responsibilities. In response to our recommendation to appoint permanent members to the BIE-Education Committee, Interior stated that it had appointed members to the Committee in late July 2013 and that the first Committee meeting was held in mid-August 2013. As Interior and Education move forward with the Committee, we believe it is important to ensure that it meets on a regular basis and that the Departments evaluate and monitor the extent to which it is achieving its stated goals.

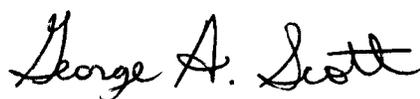
In response to our recommendation that BIE develop a strategic plan, Interior stated that it has established a committee—composed of key Indian Affairs offices—to develop a comprehensive communication plan for BIE. Interior plans to seek input from key stakeholders on the plan, including the States and tribal Departments of Education. In addition to these actions, we believe it is important that this plan include specific goals and measures for Indian Affairs and BIE that align to BIE's mission of improving the quality of Indian students' education.

Lastly, in response to our recommendation on the need for strategic workforce planning, Interior stated it had completed a workforce plan that served as the foundation for the current Indian Affairs' realignment. However, the workforce plan was based on workforce data from fiscal years 2003-2007 and would not reflect recent changes in the workforce or current workforce needs. As a result, we believe it is important to revise the strategic workforce plan to reflect current staffing needs.

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

If you or your staff have any questions about this report, please contact me at (202) 512-7215 or scottg@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made key contributions to this report are listed in appendix II.

Sincerely yours,

A handwritten signature in black ink that reads "George A. Scott". The signature is written in a cursive style with a large initial "G" and "S".

George A. Scott, Director
Education, Workforce, and Income Security Issues

Appendix I: Comments from the Department of the Interior



United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, DC 20240

SEP 05 2013

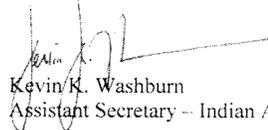
Mr. George A. Scott
Director, Education, Workforce, and
Income Security Issues
U.S. Government Accountability Office
441 G Street, N.W.
Washington, D.C. 20548

Dear Mr. Scott:

Thank you for providing the Department of the Interior the opportunity to review and comment on the draft Government Accountability Office Report entitled *INDIAN AFFAIRS: Better Management and Accountability Needed to Improve Indian Education* (GAO-13-774).

The Department appreciates the work of the team that prepared the report and the amount of data collected. The findings and recommendations in the Report will be beneficial as the Department moves forward with facilitating improvements in the area of education in Indian Country. As discussed in the enclosed document, Indian Affairs concurs with all the recommendations. If you have any questions or need additional information, contact Mr. Michael Oliva, Indian Affairs Office of Internal Evaluation and Assessment, at (703) 390-6537.

Sincerely,



Kevin K. Washburn
Assistant Secretary – Indian Affairs

Enclôsure

Enclosure

**Department of the Interior Comments on the
U.S. Government Accountability Office Draft Report
*INDIAN AFFAIRS: Better Management and Accountability Needed to Improve
Indian Education (GAO-13-774)***

General comments:

The Department understands that providing a quality education to Indian youth in Indian Country is not only vital to their individual success but also to the future of Indian Country. That said, Indian students face more challenges in attaining an education than their non-Indian counterparts residing in metropolitan, suburban or even in rural areas. Factors such as economies of scale, remote locations of residences, community infrastructure, and lack of personal support systems add to the burdens faced by Indian students.

The Department is in the process of reviewing the structure and management of the Bureau of Indian Education (BIE) and already is moving forward with efforts to improve Indian Education. The GAO study and resulting report will aid our existing efforts and assist us in identifying avenues to improve the quality of education in Indian Country.

For example, the Department has recently secured the assistance of the U.S. Department of Education and notable subject matter experts in the education arena to advise us on how to improve the structures and systems of the BIE to improve Indian education. The work of these individuals will also help Indian Affairs to address the issues raised by GAO. The Department also has appointment members to the Indian Affairs BIE-Education Committee. The Committee held its inaugural meeting on August 12, 2013.

In addition, discussions are underway to address the administration of fund allocations to tribes for the operation of federally funded Indian education programs. The goal is to streamline and economize on existing resources involved in processing allocations and improve accountability for tribal payments. This is important because federally funded schools and programs operated by tribes support both the President's self-governance mandate and promote tribal sovereignty. Investments in these schools and Indian students help to protect, preserve and uphold First Americans' history and cultural heritage.

Recommendation 1: Develop and implement decision-making procedures for BIE that specify who should be involved in the decision-making process for key decisions that affect BIE and its schools to ensure that BIE has effective management controls, is accountable for the use of federal funds, and comports with federal laws and regulations. Such procedures should be clearly documented in management directives, administrative policies, or operating manuals.

Response: Indian Affairs provides oversight to the Bureau of Indian Affairs and the Bureau of Indian Education. The Department issues guidance and policies either through directives from the Secretary, Departmental Manuals, or by regulations. The Secretary has delegated the authority for Indian matters to the Assistant Secretary – Indian Affairs, who in turn delegates certain responsibilities and matters to the BIA and BIE Directors. With the current realignment of Indian Affairs, it will be necessary to refine and redefine certain aspects of the BIA and BIE. BIE is currently finalizing a plan for realignment that is driven by changing roles and responsibilities. These changes must follow personnel management procedures, and must be reflected within the Indian Affairs Manual as well as the Departmental Manual. This process will require reviews by several offices within the Department, as well as Indian Affairs, before it is finalized and made public. The Department is committed to ensuring that BIE has effective policies and procedures during this realignment process. The Department will provide the GAO with status updates semi-annually on the BIE’s progress in these areas with the understanding that once the realignment of BIE is complete, these updates will be on an annual basis.

Recommendation 2: Develop a communication strategy for BIE to inform its schools and key stakeholders of critical developments that impact instruction in a timely and consistent manner to ensure that BIE school officials receive information that is important for the operation of their schools.

Response: Indian Affairs concurs. Indian Affairs agrees with the recommendation to develop a communication strategy. Presently, the BIE Director’s office issues directives by memorandum and by email. However, the BIE, as an organization, should develop and follow set communication protocols within the schools, the education line offices, divisions, and the education regional offices to ensure that everyone understands their roles and responsibilities. The BIE expects to complete its communications strategy with stakeholder input no later than March 1, 2014.

Recommendation 3: Appoint permanent members to the BIE-Education committee and ensure that the committee meets quarterly as required by the MOU to improve collaboration between BIE and Education and address the challenges that Indian schools face in improving student performance.

Response: On Wednesday, June 12, 2013, the White House Initiative on American Indian and Alaska Native Education Executive Director, William Mendoza held a conference call with the Assistant Secretary – Indian Affairs, Kevin K. Washburn and the Acting Director for the Bureau of Indian Education, Dr. Charles Roessel to discuss the BIE-Education committee and the need for the appointment of members to the committee. Indian Affairs contacted Mr. Mendoza on July 29, 2013, with the names of members to be appointed to the Committee. The first face-to-face meeting of the Committee took place on August 12, 2013. Indian Affairs and the BIE stand ready to work with all stakeholders to improve education for Indian students. Mr. Mendoza stated this would be the only meeting without tribal leadership present. The MOU states that tribes will be represented. He stated that appointments would be made utilizing some members from the Tribal Interior Budget Council.

Recommendation 4: Develop a strategic plan that includes detailed goals and strategies for BIE and for those offices that support BIE's mission, including BIA, to help Indian Affairs effectively implement its realignment. Development of the strategic plan should incorporate feedback from BIE officials and other key stakeholders. To gather stakeholder input, we recommend that the plan include a comprehensive communications strategy to improve communication within Indian Affairs and between Indian Affairs and BIE staff.

Response: Indian Affairs concurs with the development of a strategic plan for the BIE. With the anticipated changes within Indian Affairs, we will continue to involve tribes regarding organizational changes. Indian Affairs has established a committee consisting of employees from the Office of the Assistant Secretary – Indian Affairs, the Bureau of Indian Affairs, and the Bureau of Indian Education to develop a comprehensive communications plan. The BIE will amend that communication plan with stakeholders, which include States, tribal Departments of Education, School Boards, and National Education organizations, as well as Post Secondary institutions.

Recommendation 5: Develop a strategic workforce plan that ensures that employees providing administrative support to BIE have the requisite knowledge and skills to help BIE achieve its mission and are placed in the appropriate offices to ensure that regions with a large number of BIE schools have sufficient support.

Response: Indian Affairs concurs that strategic workforce planning is an important tool in management and in ensuring that employees are in the appropriate offices and jobs, have the requisite knowledge and skills, and are situated to help the organization achieve its mission. Indian Affairs has completed a workforce plan and is using it as a foundation for planning and implementation of organizational changes. Indian Affairs can commit to ongoing efforts to improve the plan and make it more useful in these efforts going forward.

Appendix II: GAO Contacts and Staff Acknowledgements

GAO Contact

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Staff Acknowledgements

In addition to the contact named above, Elizabeth Sirois (Assistant Director), Ramona L. Burton, Sheranda Campbell, Rachel Miriam Hill, and Matthew Saradjian made key contributions to this report. James E. Bennett, Holly A. Dye, Alexander G. Galuten, Sheila R. McCoy, Jean L. McSween, Kathy Peyman, Vernetta G. Shaw, and Sarah E. Veale provided support.

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