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# Overview

## About the Report

The United States Department of Education's *Annual Performance Report* (APR) for fiscal year (FY) 2010 provides detailed information on:

- the status of strategic goals, and
- the outcomes of the strategic performance measures identified in the Department's *FY 2007–2012 Strategic Plan* and updated previously in the *FY 2009 Annual Performance Report*. The Department is developing a new strategic plan for FY 2011–2015.

The *Agency Financial Report* (AFR), released in November 2010, provides detailed information on the Department's financial performance and stewardship over its financial resources. For a copy of the full report, go to:

<http://www.ed.gov/about/reports/annual/2010report/agency-financial-report.pdf>.

The Secretary has outlined accomplishments, forward looking initiatives, and management challenges for the Department in FY 2010 and certified that the Department's performance data are fundamentally complete and reliable in his letter published in the *AFR*. For more information, go to: <http://www.ed.gov/about/reports/annual/2010report/1-message.pdf>.

This document is released with the Congressional Budget Justifications for FY 2012, as well as other budget and performance documents that support the budget process for the upcoming year. For more information, go to:

<http://www.ed.gov/about/overview/focus/performance.html>.

## Linking Taxpayer Dollars to Performance Results

Given the current constraints on the current economy, the President has requested that federal agencies become more fiscally responsible. The Department strives to link taxpayer dollars to results and strives to ensure accountability for the expenditure of its grant and contract dollars. It has also undertaken significant measures to maximize administrative efficiency within the agency.

By including detailed performance information with the President's Budget, the Department will link its performance to its budget requests. For more information, please go to:

<http://www2.ed.gov/about/reports/annual/2010report/2c-mda-performance-highlights.pdf>.

## Accomplishments and Initiatives for FY 2010

During FY 2010, the Department continued the enormous responsibility of allocating significant funds provided by the *American Recovery and Reinvestment Act of 2009* (*Recovery Act*), as well as the Education Jobs Fund, Federal Student Aid initiatives, and Innovation. For more information, please go to:

<http://www2.ed.gov/about/reports/annual/2010report/2d-mda-accomplishments.pdf>.

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## Forward Looking Initiatives

The *FY 2010 Agency Financial Report* identifies a series of future initiatives, including Implementation of Changes in Federal Student Aid, Data Quality and Reporting, Oversight and Monitoring, Information Technology Security, and Data Privacy Safeguards, are summarized at: <http://www2.ed.gov/about/reports/annual/2010report/2e-mda-initiatives.pdf>.

## Management Challenges

During FY 2010, the Department's Office of Inspector General (OIG) reported management challenges in three areas: *Recovery Act*, student financial assistance (SFA) programs, with a focus on the *Ensuring Continued Access to Student Loans Act of 2008 (ECASLA)*; and information security and management. OIG has updated its analysis of each of these areas for FY 2011, and Data Quality and Reporting, previously a subarea, is presented as a separate challenge. The FY 2011 management challenges are: Implementation of New Programs/Statutory Changes, including the *Recovery Act* and changes to the SFA loan programs; Oversight and Monitoring, including SFA program participants, distance education, grantees, and contractors; Data Quality and Reporting; and Information Technology Security.

The Executive Summary of Management Challenges for FY 2011 is included in the Other Accompanying Information section of the *FY 2010 Agency Financial Report* and the full report is published by the Department's Office of Inspector General. To view the full report, go to: <http://www2.ed.gov/about/offices/list/oig/misc/mgmtchal2011.pdf>.

## FY 2010 Financial Highlights and Detailed Financial Information

For the ninth consecutive year, the Department achieved an unqualified audit opinion on its annual financial statements. Since 2003, the independent auditors have identified no material weaknesses in the Department's internal control over financial reporting. To read the full report of the independent auditors, please go to:

<http://www2.ed.gov/about/reports/annual/2010report/4-auditors.pdf>.

For an overview and analysis of the Department's sources of funds and financial position, please go to: <http://www2.ed.gov/about/reports/annual/2010report/2g-mda-financial-highlights.pdf>.

To review the Department's financial summary and complete financial statements—including required supplementary stewardship information and notes to the principal financial statements for the fiscal years ended September 30, 2010, and September 30, 2009—please go to: <http://www2.ed.gov/about/reports/annual/2010report/3-financial-details.pdf>.

For information on the *Improper Payments Information Act* reporting details, which includes a risk assessment of certain programs, please go to:

<http://www2.ed.gov/about/reports/annual/2010report/5a-improper-payments.pdf>.

## Data Analysis and the *Annual Performance Report*

The *Government Performance and Results Act of 1993 (GPRA)* requires federal departments and agencies to describe the goals and objectives of their programs clearly, identify resources and actions needed to accomplish goals and objectives, develop a means of measuring progress made, and report regularly on achievement. The goals of the act include: improving program effectiveness by promoting a focus on results, service quality, and customer satisfaction; improving congressional decision-making by providing objective information on achieving statutory objectives; and focusing on the relative effectiveness and efficiency of federal programs and spending.

### The Institute of Education Sciences Data Quality Initiative

The Data Quality Initiative (DQI) of the Department's Institute of Education Sciences, begun in 2006, is designed to improve the Department's program performance data and reporting in support of the goals of *GPRA*. Technical assistance is being provided to approximately 30 Department elementary and secondary grant programs.

The DQI has worked with the Department's program offices and with grantees to review grantee evaluation plans and reports, develop annual performance reporting forms, develop data collection and reporting guidance; review and analyze grantee annual performance data; and deliver grantee briefings and workshops focused on evaluation issues. The initiative includes programs covering a wide range of elementary and secondary education topics and populations. See [http://ies.ed.gov/ncee/projects/evaluation/assistance\\_data.asp](http://ies.ed.gov/ncee/projects/evaluation/assistance_data.asp) for more details.

### Consolidating Data Collection Through *EDFacts*

Complete and accurate data are essential for effective decision-making. Given the requirements of the *Elementary and Secondary Education Act of 1965 (ESEA)*, as amended, accuracy of state and local educational agency performance data is crucial to funding decisions and management actions that are taken on the basis of this performance information. These requirements, and subsequent actions by the Department, are designed to improve the quality and validity of data across the states.

*EDFacts* is the U. S. Department of Education initiative to put performance data at the center of policy, management, and budget decisions for elementary and secondary educational programs. *EDFacts* centralizes performance data supplied by K-12 State educational agencies (SEAs) with other data assets, such as financial grant information, within the Department to enable better analysis and use in policy development, planning, and management. The ESEA requires states to electronically submit data to the Education Data Exchange Network Submission System (EDENS). SEAs submit data through the Education Data Exchange Network (EDEN) submission system, an electronic data system capable of receiving data on over 100 data groups at the state, district, and school levels, a centralized, Internet-based system of elementary and secondary education data (K-12) from 52 state educational agencies. Data are available for state and local educational agencies. School data include data on demographics, program participation, implementation, and outcomes. See <http://www2.ed.gov/about/inits/ed/edfacts/index.html> for insights into the program.

Starting in school year (SY) 2008–09, *EDFacts* became the mandatory system for states to report their K–12 education data to the Department electronically. The *EDFacts* system enabled the consolidation of historically separate data collection efforts, and it has allowed for even greater data collection efficiencies.

By using EDENS and the *EDFacts* Metadata and Process System together, *EDFacts* is able to reduce the reporting burden for states by eliminating redundant data requests from multiple data collections. This approach also provides program offices with the ability to retire paper-based collections and improve data quality by relying solely on electronic reporting methods. In the future, the *EDFacts* initiative will employ similar strategies to increase the efficiency of data acquisition methods across the Department.

## Statewide Longitudinal Data System

The Statewide Longitudinal Data Systems (SLDS) grant program, as authorized by the *Educational Technical Assistance Act of 2002*, Title II of the statute that created the Institute of Education Sciences (IES), is designed to aid state education agencies in developing and implementing longitudinal data systems. These systems are intended to enhance the ability of states to efficiently and accurately manage, analyze, and use education data, including individual student records. The data systems developed with funds from these grants should help states, districts, schools, and teachers make data-driven decisions to improve student learning, as well as facilitate research to increase student achievement and close achievement gaps. More information on the SLDS grant program is available at <http://nces.ed.gov/Programs/SLDS/>.

## Performance Data Guidance

The Office of Management and Budget (OMB) Circular A-11, Part 6, section 230.5, *Assessing the completeness and reliability of performance data*, requires each agency to design a procedure for verifying and validating data that it makes public in its annual performance plans and reports. Finally, the *Reports Consolidation Act of 2000* requires that the transmittal letter included in annual performance reports contains an assessment by the agency head of the completeness and reliability of the performance data included in its plans and reports.

In response, the Department has developed a guidance document to assist principal offices responsible for reporting data on strategic and program performance measures. The guidance addresses issues of data integrity and provides a framework for validating and verifying performance data. Additionally, the Department has developed a worksheet for each program office to use to identify the validity of the data for their unique program performance measures.