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## Message From the Secretary



February 14, 2011

I am pleased to present the U.S. Department of Education's Fiscal Year (FY) 2010 *Annual Performance Report* (APR). This is one of three integrated reporting components that are included in the Office of Management and Budget's program for alternative approaches to the *Performance and Accountability Report* (PAR). The other two reports are the *FY 2010 Agency Financial Report*, released in November 2010, and the *FY 2010 Summary of Performance and Financial Information*, which will be released in February 2011.

FY 2010 was a transition year for the Department as we move to a new strategic plan. We are still firmly committed to our mission of promoting achievement and preparation for global competitiveness by fostering educational excellence and ensuring equal access. In FY 2010, we achieved major milestones in promoting our education goals.

We focused our efforts on the President's goal of the United States once again having the highest proportion of college graduates in the world—a goal that drives accountability for improvement from cradle to career. In order to achieve this goal, we need to continue to support students at all levels of the education continuum. We must begin with early learning, doing more to close the achievement gap before children enter kindergarten and to ensure success in school. We must provide our students with competent and effective teachers. We must work to reduce dropout rates in our high schools, promote college readiness, and make college more accessible and affordable.

We continue to work on the reauthorization of the *Elementary and Secondary Education Act of 1965*. We need to ensure that states, districts, and schools are held accountable; provide greater flexibility to enable innovation and improvement; and place a greater emphasis on schools and students most at risk.

We have already focused on these objectives in administering our current programs. *Race to the Top*, authorized under the *American Recovery and Reinvestment Act of 2009*, has prompted states and districts to remove obstacles to reform and encourage stakeholders to work together toward shared goals. I conducted a *Courage in the Classroom* tour to honor our nation's unsung heroes—our teachers. The major complaint I heard from teachers is that narrowly focused “bubble tests” pressure teachers to teach to the test. The *Race to the Top Assessment* program provides funding to coalitions of states to develop common assessments that measure real student knowledge and skills.

Our Investing in Innovation (i3) fund, authorized under the *American Recovery and Reinvestment Act of 2009*, provides competitive grants to districts or consortia of schools to expand innovation and evidence-based practices. Additionally, states all across America are distributing School Improvement Grant (SIG) funds to districts to help their lowest-performing schools. And we are also distributing Teacher Incentive Fund (TIF) grants to districts to try new compensation programs that reward effective teachers or provide

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incentives for teachers to teach in hard-to-staff schools and subjects. Also, I launched the TEACH Campaign to raise awareness of teaching as a valuable profession. For more information, please visit our Web site, [www.TEACH.gov](http://www.TEACH.gov).

To help students struggling financially to enter college, the Department provides low-interest loans to students through the William D. Ford Federal Direct Loan Program, and continues to provide Pell Grants, to make college more affordable and accessible. In the past year, we have significantly revised the student loan programs to provide additional options and benefits to borrowers. In addition, to save taxpayer dollars we now use private-sector companies generally chosen competitively based upon effective performance to service student loans.

Over the last two years, the Department has been able to support education jobs through stimulus funding provided by the *American Recovery and Reinvestment Act of 2009*. Communities across America still face serious financial challenges. Our new Education Jobs Fund is saving and creating education jobs. It requires school districts to use the funds to pay the salaries and benefits of teachers, school administrators, and other essential employees.

The Department is in the final stages of completing a new strategic plan that reflects these new directions. Once complete, this plan will provide the basis for the performance measures that we will describe in future reports.

The current APR reports on measures that are tied to the existing strategic plan. Some of these measures focus on Departmental performance, such as the targeting of funding toward evidence-based programs. The vast majority of measures focus on student outcomes, such as achievement in reading and math. These student outcome measures are indicators of the health of our nation's education system as a whole.

Because it generally takes several months to collect, validate, aggregate meaningfully, and report student data, the most current student outcome-related data available for this report generally are from FY 2009. Of the student outcome-related measures with FY 2009 data in this report, our nation did not meet the target for the vast majority of measures. Targets missed include nearly all of the targets for improvement in K-12 state reading and math assessments, and all of the targets for improving teacher quality. This performance provides further evidence that broad reforms are needed across our education system. These reforms will be at the center of the Department's new strategic plan.

For the Departmental performance measures, the APR includes FY 2010 data. Of these measures, most show targets were met or showed improvement over the previous year. As part of our new strategic plan, the Department is undertaking a number of efforts to strengthen Departmental performance in support of all stakeholders involved in education reform and in support of improving student outcomes.

Education is the civil rights issue of our generation. To complement the Department's programmatic efforts to increase student academic achievement, we are reinvigorating our Office for Civil Rights to ensure access to equal educational opportunities for all students. We are also establishing the Equity and Excellence Commission to study the extent to which inequities and inefficiencies in K-12 education contribute to the achievement gap.

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We will ensure that all public schools—traditional and charter—serve the children most in need.

I hope this information is useful to the many stakeholders and partners working together to achieve our education goals.

Sincerely,

/s/

Arne Duncan