

**TESTIMONY
OF
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U.S. DEPARTMENT OF THE INTERIOR
ON
“GAO HIGH RISK LIST:
TURNING AROUND VULNERABLE INDIAN PROGRAMS”
BEFORE THE
COMMITTEE ON INDIAN AFFAIRS
U.S. SENATE**

JUNE 13, 2018

Good afternoon Chairman Hoeven, Vice Chairman Udall, and Members of the Committee. Thank you for the invitation to appear again on behalf of the Bureau of Indian Education (BIE) to discuss our ongoing work to address the high-risk designation from the Government Accountability Office (GAO) in the High Risk Report (GAO-17-317 High Risk Series).

As highlighted in the GAO reports, much work remains, but I am glad to update this Committee on progress made regarding the outstanding recommendations since I last testified in September. GAO has conveyed that addressing the outstanding recommendations will help them work toward removing BIE from the high-risk designation. While the BIE is working to address all GAO recommendations, including those in subsequent reports issued in 2017, this testimony will provide an update on progress regarding outstanding GAO recommendations in relation to the high-risk designation – now having closed seven recommendations. BIE appreciates GAO’s continued support and assistance in improving BIE services to our students. The BIE is now well positioned to address all outstanding recommendations by year’s end – a challenge provided by Members of this Committee at the last hearing.

As I previously testified, the BIE team views the GAO’s reports as a constructive tool to improve our agency and help the students we are committed to serve. As such, I will update you on headway made in the following areas:

1. GAO High Risk Status for BIE
2. GAO Recommendations
3. GAO Recommendations Status & BIE Next Steps

GAO High Risk Status for BIE

In February 2017, the GAO released its High Risk Report (GAO-17-317 High Risk Series) designating BIE as a high-risk agency. The GAO highlighted the following persistent weaknesses noted in previous reports that inhibit the agency from efficiently executing its mission to serve Indian students:

- Indian Affairs’ (IA) oversight of school safety and construction, as well as how BIE monitors the way schools use Interior funds;
- The impact of limited workforce planning in several key areas related to BIE schools;
- The effects of aging BIE school facilities and equipment and how such facilities contribute to degraded and unsafe conditions for students and staff; and
- How the lack of internal controls and other weaknesses hinder IA’s ability to collect complete and accurate information on the physical conditions of BIE schools.

In three separate reports dating back to 2013, the GAO provided thirteen recommendations to improve IA's management of BIE schools. BIE has now closed seven GAO recommendations. BIE has additionally made significant progress in addressing its remaining outstanding recommendations.

As Director, I am committed to addressing these outstanding items. To that end, I am working with our senior leadership team within BIE as well as with IA, the Secretary's Office, and our colleagues at GAO to ensure that BIE comprehensively addresses each outstanding recommendation as expeditiously and effectively as possible. Throughout the past year, the BIE, through the support of the Department of the Interior (Department), regularly and directly communicated with GAO, which enhanced BIE's ability to address outstanding recommendations. Through in-person meetings and teleconferences, GAO provided BIE comments and suggestions for effectively closing recommendations in a timely manner.

GAO recommendations are a roadmap for BIE to establish and maintain comprehensive internal policies and procedures that support service delivery, ensure accountability, and provide organizational stability. We appreciate the assistance and collaboration offered by GAO and look forward to our continued partnership.

GAO Recommendations: Status & BIE Next Steps

In the past few years, BIE planned, consulted on, designed, and implemented a complex, multifaceted, bureau-wide reorganization. In February 2016, the Department directed BIE to move forward with Phase I of its reorganization, with the agency committing considerable time, energy, and resources to carry out the directive. Simultaneously, considerable turnover within BIE senior leadership reduced capacity and focused BIE's attention on day-to-day services rather than addressing critical, long-term organizational improvement strategies highlighted in the GAO reports. Since becoming Director, I directed BIE to prioritize resources and critical personnel to refocus our efforts in addressing the longstanding, systemic issues outlined in GAO reports that will ultimately improve our ability to serve Indian students.

In November 2016, the BIE filled several key positions tasked with serving on an internal working group focused on evaluating all outstanding GAO recommendations as well as BIE's past GAO closure submissions. The team completed its analysis in early 2017 and reported its findings and recommendations to BIE leadership in mid-March. Based on the information received, BIE leadership was not satisfied with the quality and timeliness of the Bureau's response in addressing GAO's outstanding recommendations. Since then, BIE consistently worked to complete the actions recommended to improve service delivery and accountability.

GAO-13-774—INDIAN AFFAIRS: Better Management and Accountability Needed to Improve Indian Education (September 2013).

GAO made five recommendations:

- I.) Develop and implement decision-making procedures, which are documented in management directives, administrative policies, or operating manuals;
- II.) Develop a communication strategy;
- III.) Appoint permanent members to the BIE-Education committee and meet on a quarterly basis;
- IV.) Draft and implement a strategic plan with stakeholder input; and
- V.) Revise the BIE strategic workforce plan.

BIE completed implementation of recommendations one, two and three, which includes development of a decision-making procedure, communications strategy and increased collaboration with the Department of Education (ED). The Department previously considered recommendation five – revision of a strategic

workforce plan – closed. However, GAO did not concur. After reviewing the previous work submitted by BIE regarding recommendation five, and after closely collaborating with GAO regarding the work product, BIE and the Department relisted the recommendation as open. The Department will continue to work with GAO until recommendation five is fully implemented. Additionally, BIE will assess the effectiveness of its long-term implementation of GAO’s closed recommendations in an effort to continually improve BIE operations. BIE is currently working to implement recommendations four and five, which are to develop a strategic plan, as well as a comprehensive workforce plan. BIE plans to implement the remaining recommendations contained in GAO-13-774 by the end of 2018.

Recommendation IV – BIE, working with leadership within IA and pertinent stakeholders, reviewed the strategic plan submitted to GAO in September 2016 and determined that the quality of work as unsatisfactory, both for the purposes of closing recommendation four as well as for working as a functional tool intended to guide the organization in achieving its mission. At the close of this review, BIE immediately began the process of planning and drafting a revised strategic plan.

On March 8, 2017, BIE conducted a senior leader strategic planning exercise to initiate work. On April 11, 2017, BIE held a follow-up strategic planning session, convening local, regional, and central office personnel to determine paths forward. By the end of April 2017, BIE began revising its mission and vision statement and identified draft goals. On June 14, 2017 and July 18 – 20, 2017, BIE held additional strategic planning sessions to identify strategies aligned to goals and established a communications plan for sharing the Draft Strategic Plan Proposal with internal and external stakeholders to solicit feedback as well as developing a timeframe for formal consultation with Indian tribes. BIE then held additional organization-wide planning meetings on August 29–30, 2017 and September 26–28, 2017.

Following these internal planning sessions, the BIE produced a Draft Strategic Plan Proposal for review by Tribes and key stakeholders. On October 17, 2017, early in the planning process, BIE initiated a series of meaningful and substantive Tribal consultation and listening sessions regarding the Draft Strategic Plan Proposal. The consultation sessions achieved the BIE’s goal to engage and work with Tribes, school boards, and other stakeholders to obtain input for meeting the needs of BIE students and Indian Country. Upon conclusion of five regional Tribal consultation sessions and three listening sessions, the BIE began a substantive review and analysis of all feedback and made significant edits and changes in light of the contribution of its Tribal partners. In April 2018, the BIE submitted its final Strategic Direction to Department leadership for formal review and approval. Upon receiving approval, the BIE will publish and implement the Strategic Direction.

Recommendation V – BIE purposefully delayed implementation of recommendation five until finalizing its Strategic Direction. The BIE will create and implement the workforce plan based on the goals outlined in the Strategic Direction. To ensure that implementation is effective, the BIE is working with external subject-matter expert organizations, such as the WestED comprehensive center, the Academic Development Institute, and the Building State Capacity and Productivity Center (BSCPC) to establish work strands and monitoring to ensure increased accountability in service delivery. These organizations will collaborate with BIE to provide technical expertise and best practices in developing an effective, long-term action plan for implementing a measurement system to track progress once implementation of the Strategic Direction begins. BIE’s goal is to complete the strategic workforce plan by the close of 2018.

GAO-15-121—INDIAN AFFAIRS: Bureau of Indian Education Needs to Improve Oversight of School Spending (November 2014).

GAO made four recommendations:

- I.) Develop a comprehensive workforce plan;

- II.) Implement an information sharing procedure;
- III.) Draft a written procedure for making major program expenditures; and
- IV.) Create a risk-based approach in managing BIE school expenditures.

BIE continues to implement GAO's four recommendations contained in GAO-15-121. As of May, the BIE developed and implemented a comprehensive fiscal monitoring policy and procedure, which coordinates efforts and technical assistance across the Bureau. As a result, GAO permanently closed recommendations two, three, and four. The BIE is now focusing its efforts on completing a comprehensive workforce plan, which addresses recommendation one as well as recommendation five in GAO-13-774 – implementation of a strategic workforce plan.

Recommendation I – During the early stages of the current BIE reform, IA contracted a workforce study. However, following BIE's meetings with GAO on June 17, 2017 and August 16, 2017, GAO provided clarification regarding expectations by identifying skills gap, prioritization of vacancies, and the need for plans contingent on varying outcomes, such as available funding and hiring constraints. BIE plans to revisit the work completed by IA in the prior study and reexamine its workforce planning efforts in light of GAO's feedback. Additionally, during the strategic planning process the BIE held two initial workforce-planning exercises to begin planning. BIE's goal is to complete the comprehensive workforce plan by the close of 2018.

GAO-16-313—INDIAN AFFAIRS: Key Actions Needed to Ensure Safety and Health at Indian School Facilities (March 2016)

GAO made recommendations:

- I.) Ensure that all BIE schools are inspected as well as implement a plan to mitigate challenges;
- II.) Prioritize inspections at schools where facility conditions may pose a greater risk to students;
- III.) Develop a plan to build schools' capacity to promptly address safety and health problems with facilities and improve the expertise of facility staff to maintain and repair school buildings; and
- IV.) Consistently monitor whether schools have established required safety committees.

BIE successfully implemented recommendation two and four, and GAO permanently closed the recommendations in early 2018. BIE and its IA partners continue work implementing GAO's two remaining recommendations contained in GAO-16-313.

Recommendations I and III – BIE is collaborating with partners from across IA to address its remaining safety-related GAO recommendations. The BIE is committed to working with IA, the Secretary's office, and our colleagues at the GAO to ensure that the BIE systematically and comprehensively addresses each recommendation for improving services and safety at BIE schools. Specifically, through an IA collaborative working group to address outstanding safety issues, BIE and IA administered safe school audits with a 100 percent completion rate in both 2016 and 2017. We are on track to complete 100 percent of inspections in 2018 and are monitoring whether schools have established required safety committees.

We are also working to ensure that employee performance standards regarding inspections are consistently incorporated into the appraisal plans of personnel with safety program responsibilities. Personnel are on schedule to formally require safety inspectors to document when inspection reports are sent to schools as well as establish a process to routinely monitor the timeliness of such reports. Further, BIE staff and its IA partners drafted and recently implemented the "*Indian Affairs Safety Health and*

Accessibility Inspection/Evaluation Guidelines”, which will comprehensively address many of GAO’s safety-related recommendations outlined in subsequent GAO reports released in 2017.

Conclusion

Chairman Hoeven, Vice Chairman Udall, and Members of the Committee, thank you for the opportunity to present testimony today and provide the Committee an update regarding our work with GAO. Much work remains, but BIE is excited about our recent progress and is committed to addressing all GAO recommendations in order to achieve sustained improvement for our students. Thank you for your time, and I would be honored to answer any questions you may have.